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ELDERLY TRANSPORTATION—1986 AND BEYOND

HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN SERVICES

OF THE

SELECT COMMITTEE ON AGING
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

MARCH 12, 1986

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ELDERLY TRANSPORTATION—1986 AND BEYOND

WEDNESDAY, MARCH 12, 1986

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON AGING,
SUBCOMMITTEE ON HUMAN SERVICES,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:25 p.m., in room 2261, Rayburn House Office Building, Hon. Mario Biaggi (chairman of the subcommittee) presiding.

Members present: Representatives Biaggi, Synar, Snowe, Rinaldo, and Saxton.

Also present: Representatives Wise and Wortley.

Staff present: Robert B. Blancato, majority staff director; Moya Benoit, majority research assistant; and Bente Cooney, minority research assistant.

OPENING STATEMENT OF CHAIRMAN MARIO BIAGGI

Mr. BIAGGI. I'm delighted to convene this hearing of the House Subcommittee on Human Services.

We have as our purpose today to examine the present status of our Federal commitment to one of the most basic of human services for our senior citizens, transportation.

I welcome my colleagues from the subcommittee, especially Ms. Snowe, a most dedicated advocate of the concerns of the elderly. We have served together on this subcommittee for several years, and her leadership on this subcommittee is most appreciated.

We are conducting this hearing in conjunction with an important conference that is taking place in this city this week. I refer to the annual legislative workshop of the National Association for Transportation Alternatives.

NASTA represents an industry of over 5,000 rural, small city, and specialized transit systems currently in operation across the United States. We have invited our witnesses, mostly from the ranks of NASTA, and intend to work closely with them in the coming months as we shape a new legislative package dedicated to the needs of the elderly for transportation.

We approach this hearing as a beginning of a more comprehensive subcommittee review of existing Federal programs providing transportation services for our seniors. We will review their present effectiveness as well as their future prospects.

As chairman, I undertake this task with great interest because of a long-standing commitment to the issue of the transportation rights of the elderly as well as the disabled of our Nation.

It was almost 16 years ago when, as a freshman Member of this House, I authored an amendment to the Urban Mass Transportation Act of 1970. My amendment, which became law, made it the first-time national policy that mass transportation facilities must be made fully accessible for the elderly and disabled. That policy was later reaffirmed in an amendment I offered to the 1975 transportation appropriations bill, which also became law. This addresses one of the two fundamental issues with respect to elderly transportation services, accessibility.

The other issue is availability. As an original member of the House Select Committee on Aging and chairman of this subcommittee since 1977, I have committed myself to working for adequate funding of those programs which provide the bulk of our Federal commitment to elderly transportation. These include section 16(b)(2) of the Urban Mass Transportation Act and title III(b) of the Older Americans Act.

With respect to the Older Americans Act, it has been my pleasure to serve not only on this committee but also on the Education and Labor Committee which has direct legislative responsibility over the Older Americans Act. It is important that, despite the fiscal constraints of the past 5 years, the funding levels for the Older Americans Act programs under title III have, in fact, increased. This was aided, in large measure, by the fact that the Older Americans Act provides visible and vital services to our seniors. One of the most tangible of these is transportation, especially the transportation that links the seniors with the congregate and home-delivered meals programs.

As we begin our evaluation process of elderly transportation programs in 1986, one feels many emotions. There is a certain sense of accomplishment for what we have achieved. Yet that is tinged by the frustration we feel that there are so many others in the elderly community in need of services. Yet the overriding emotion of the day has to be apprehension about the future.

As all of you too well know, there is an unprecedented effort under way from several fronts to radically reduce the Federal commitment to social and human service programs benefiting not only the elderly but a host of other groups. Whether one looks at the Gramm-Rudman law or the President's proposed budget, unless some alternative approach can be developed by October 1, the numbers to sustain our commitment to elderly transportation simply will not be there.

We know, in our Nation today, that there are a total of 35 million Americans, primarily elderly, disabled, and poor, who fall into the category of the transportation disadvantaged. There are referred to in this fashion because of the fact they either do not or cannot own a car or cannot drive one. For these people, public transportation is a necessity.

Yet there is not anyone in this room who would dispute the statement that we continue to lack a sufficient national policy to reach this segment of people in need. Therefore, in my judgment, any evaluation of transportation programs must begin with exam-

ining whom we are not reaching that we should be reaching. Simply put, we must rededicate ourselves to addressing the needs of the transportation disadvantaged.

I am also aware of the fact, and I know it will be raised today in various testimonies, that there is a need to examine the very sensitive issue of equity in transportation funding. I represent the city of New York for which mass transportation is the very lifeblood of our city. There is no one affiliated with my city and mass transit who will tell you that New York City is getting too much in the way of mass transit aid. Yet I am also aware of the data which NASTA will present which shows that smaller cities and rural areas, where 50 percent of the population lives, receive less than 10 percent of all capital and operating assistance from UMTA.

I believe these issues related to transportation equity belong as part of any discussion on how we work to earmark more money for transportation. In this context, I do not speak just to Federal funds in the traditional sense. I would agree with one of NASTA's recommendations calling for an expansion of the mass transit account of the Highway Trust Fund to provide a dedicated source of revenues for all transit assistance programs.

From this point, I would then move to do some specific data collection across the Nation on where the transportation disadvantaged are and then work to earmark any new revenues to these areas on a priority basis.

We are only 1 year away from the next reauthorization of the Older Americans Act. At the present time, according to data supplied by the National Association of Area Agencies on Aging, approximately 10 percent of all title III funds are going for transportation services, or about $66 million. I would note that this represents a decrease, since Congress deleted the priority service requirements from the act, which called for specific spending levels for services, including transportation.

It may be time, in the next reauthorization, to evaluate the need to reprioritize title III so those services which best accomplish the mandates of the act—most importantly, contributing to maintaining the independence of our seniors—are provided with adequate funding. Transportation would certainly be included.

We are acutely aware of the fact that the first round of Gramm-Rudman cuts took effect on March 1. The main elderly transportation programs, since they were not exempt, took a 4.3-percent cut in their fiscal year 1986 budgets. As many of you realize, this cut, since it comes so far into the fiscal year, represents more in the vicinity of a 7.4-percent cut.

Consider the impact on one program. Title III(b) of the Older Americans Act provides funding sufficient for more than 33 million one-way rides for seniors. Gramm-Rudman I will reduce that amount by 1.4 million rides. The expectation, if we hit Gramm-Rudman II, is that the overall cut may be as much as 16 to 20 percent, more than four times as great as Round I.

My personal position on Gramm-Rudman is clear. I voted against it and sponsored the first bill in this session of Congress to repeal it. Yet the fact remains, it is the law of the land, and it is imperative that Congress develop a budget which achieves the deficit reduction targets without imposing the type of draconian cuts which

would cripple programs such as those providing transportation services for seniors.

I would also note that included in the President's fiscal year 1987 budget proposal is the establishment of an urban mobility block grant. Under this plan, Federal aid to highways and mass transit would be merged. However, the total amount of money available for mass transit would be cut by 40 percent.

I have sponsored House Resolution 271 in opposition to this plan. It will clearly impact each of the 733 urbanized areas of the United States, large and small, where mass transit aid is currently provided. It could lead to the shutdown of as many as 15 percent of these programs. This would come on top of a 21-percent cut in mass transit funding experienced over the past 5 years. The impact on elderly transportation programs would be felt as hard as any other group since fewer dollars means fewer services.

Before I conclude, let me also make reference to an issue which perhaps threatens elderly transportation programs far more directly than any other funding reductions. I refer to the crisis in liability insurance. I am hearing too many horror stories about local transit operators facing rate increases in excess of 300 percent and greater. In other cases we find systems having to suspend service because no company will write an insurance policy. This crisis is real, and it's upon us. We must address this problem before it consumes any more worthwhile programs.

Our goal here today and in the future is to promote adequate, safe, and affordable transportation services for our growing elderly population. Our Federal commitment must be balanced to serve all groups in need wherever they live.

I look forward to the testimony and recommendations which will follow and pledge this subcommittee's continued cooperation.

Ms. Snowe.

STATEMENT OF REPRESENTATIVE OLYMPIA J. SNOWE

Ms. SNOWE. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, I'm certainly pleased to be here today to address the important topic of transportation for older people, and I want to commend you, Mr. Chairman, for holding a hearing on this very timely issue.

Transportation is an issue of vital importance to elderly people who are trying to maintain their independence in the community. Not only is it essential to have regular access to banks, food, and drug stores, but it is also necessary to have a link to community-based services, such as day-care centers, senior centers, health services, and nutritional and educational programs. Furthermore, transportation plays a crucial role in combating loneliness among the elderly. Those with access to transportation can maintain their relationships with family and friends or attend social and cultural events in their community.

Thus, it is not surprising that transportation was listed as one of the highest priorities at the 1981 White House Conference on Aging, and I believe it remains to be a high priority.

Yet problems of fragmentation plague our transportation system. According to one estimate, there are more than 100 Federal pro-

grams that fund transportation services to disabled people. Coordination between these programs, therefore, becomes essential.

Rural areas, particularly, present special problems for transportation systems. About 95 percent of the total mass transit funding is spent on urban transportation, leaving little for the rural settings. Nevertheless, my own State of Maine has dealt well with the problems of specialized transportation, and in many ways it serves as a model for other States.

Our State is divided into nine transportation regions. All special transportation funding, Federal as well as State and local funding, is coordinated by the nine transportation providers. This makes full and efficient use of all sources of funding. The services range from transporting children to Head Start programs in small buses to taking an older person to a meal site several times a week in a van. The agencies subcontract with taxi services because sometimes it is cheaper to transport an individual by taxi than sending a van over long distances. The providers also train and make use of numerous volunteers to help transport disabled individuals to their destinations.

I believe we can learn from the experiences of such States as Maine where transportation funding has been coordinated and consolidated which has led to the development of a very efficient system. I would like to see a greater effort to coordinate funding sources at the Federal level in order to provide a more unified and efficient system to our citizens who are not able to use mass transportation or who do not have access to private automobiles.

I look forward to hearing from today's witnesses and to learning more about how these important services will fare in the future. I am particularly pleased that the committee will be hearing testimony from Connie Garber, a dedicated expert in the field of specialized transportation. Connie has done an outstanding job in serving as the director of the York County Community Action Corp., one of Maine's nine rural transportation providers.

I especially want to welcome you, Connie, and I look forward to hearing your recommendations as to what can be done to improve services to the rural elderly. I hope that this hearing will be a step toward better and more coordinated transportation for our senior citizens.

Mr. BIAGGI. The gentleman from West Virginia, Mr. Wise.

STATEMENT OF REPRESENTATIVE ROBERT E. WISE, JR.

Mr. WISE. Thank you, Mr. Chairman. I appreciate the opportunity to be here and to have this hearing.

In West Virginia rural transportation is vital, and I was amazed when I first took office several years ago and I held a series of hearings across the district with senior citizens to talk about priorities, and we talked of course about the predictable ones—health care, senior nutrition, and issues such as that.

What came through loud and clear, perhaps louder than some of the other issues that I expected, was transportation and the access to transportation to be able to get to community centers, to be able to get to the grocery store, to be able to get to the doctor.

So as we face this era of budget cuts, transportation and the people's ability to have access to those services they need, I think, is vital, and I want to thank you very much for convening this hearing.

Mr. BIAGGI. Thank you.

The gentleman from New Jersey, Mr. Saxton.

STATEMENT OF REPRESENTATIVE JIM SAXTON

Mr. SAXTON. Thank you, Mr. Chairman. It's a pleasure for me to be here as well.

I don't have a prepared opening statement, but I'd just like to say that certainly to my district as well as the rest of the State of New Jersey and the entire country, this is a most important subject, and I commend you for holding today's hearing on it.

I associate myself to a large degree with the comments of Mr. Wise, because my district apparently is very much like his. My district is wide and spread out, and we've had a great deal of difficulty in finding answers to transportation problems experienced by elderly people and disabled people in my district.

As you mentioned, Mr. Chairman, we are in a fiscal situation this year that is perhaps unparalleled, perhaps because of action or inaction on the part of this Congress. And, as a result of that, it seems to be that the reality is that we need to find and work in very creative ways to meet the goals and accomplish those things that we need to accomplish with regard to this very important subject.

It calls to mind on my part an organization in my district which, in cooperation with the State and the Federal Government through various grants, has established a private sector group which has, to a large degree, taken up the slack of the lack of transportation in my district for elderly and disabled people. The name of the organization is Somebody Cares At Crestwood. Crestwood is a retirement community of some 10,000 people.

Prior to the time that the Federal Government and this organization developed a partnership to provide services, where there were none. Today, through the efforts of that organization, with the help of grants—small ones, I might add—from the Federal Government, a transportation system of a very adequate nature has been established.

So I look forward to working with you, Mr. Chairman, and the other members of this subcommittee in trying to find ways to provide transportation that, under the current fiscal situation, will work.

Thank you very much.

Mr. BIAGGI. Thank you, Mr. Saxton.

Before we have the first panel, I would like to ask unanimous consent that at any time when there may be votes during this session that coincide with this hearing, that testimonies continue to be presented in the presence of staff during the time required to respond to the vote in order to make certain that everyone has an opportunity to testify before we get caught up in the whole maelstrom of legislative activity during the afternoon.

At this time I would like to submit the prepared statement of Congressman John McCain for the hearing record. Hearing no objections, so ordered.

[The prepared statement of Representative John McCain follows:]

PREPARED STATEMENT OF REPRESENTATIVE JOHN MCCAIN

Mr. Chairman, I am very pleased that you have called today's hearing to discuss the effects of the Gramm-Rudman-Hollings balanced budget amendment on transportation services for the elderly and handicapped.

While the burgeoning elderly population has increased the demand for transportation services, the supply is steadily decreasing. The situation is exacerbated by the tightening of Medicare reimbursement policies and reduced funding for many programs for the elderly, both of which have put additional pressure on the already-stretched pocketbook.

For the many elders who do not have access to an automobile, van and minibus service provided by local, state and volunteer agencies is often the sole link to the outside world. Transportation to and from a senior citizen center for a hot meal and fellowship can make a difference in an elder person's life and can extend the time he or she can live independently.

Even more crucial are the transportation needs of the ill elderly who need regular rides to health care facilities for treatment. The shift in Medicare reimbursement policy toward a more cost-effective approach has increased the utilization of out-patient and residential treatment centers. By taking advantage of these health care options, the elderly can postpone, perhaps indefinitely, the often traumatic and demoralizing move to a costlier facility, such as a hospital or nursing home.

Although federal dollars must be spent efficiently and government programs streamlined, Congress must not take a short-sighted approach to this problem. The dollars we invest in affordable, reliable transportation for the elderly will pay handsome dividends in reduced medical costs to the federal and state governments. We must do our part to maintain federal funding for the vital transportation programs, coordinate our efforts with the state and local governments and work with private and volunteer organizations to provide a network of transportation service for this nation's elderly.

The first panel: Mr. Robert R. Isaacs, president of the National Association for Transportation Alternatives, from Nashville, TN; accompanied by Ms. Judy Byman, director of Arrowhead Transit, Virginia, MN; and Mr. Karl Johanson, executive director of Whitman County Council on Aging, Colfax, WA.

I wish to advise all witnesses, as we did in our letter of invitation, to limit their presentations to no more than 5 minutes. Their complete statements will be included in the record.

I also would announce that we will keep the hearing record open for 2 weeks after today for any statements that should be submitted or any revisions that witnesses want to make.

Mr. Isaacs.

PANEL ONE: CONSISTING OF ROBERT R. ISAACS, PRESIDENT, NATIONAL ASSOCIATION FOR TRANSPORTATION ALTERNATIVES, NASHVILLE, TN; AND JUDY BYMAN, DIRECTOR, ARROWHEAD TRANSIT, VIRGINIA, MN

STATEMENT OF ROBERT R. ISAACS

Mr. ISAACS. Thank you, Chairman Biaggi and members of the subcommittee. My name is Robert R. Isaacs, and I am from Nashville, TN. I appreciate your recognition of my southern roots. I'm certainly glad to be here.

Mr. BIAGGI. When I hear of Nashville, TN, I just think of happy moments and good music.

Mr. ISAACS. Well, there's certainly a lot of both in Nashville. So I appreciate those remarks as well.

I'd like to make one correction. Mr. Bill Henderson on the initial list that was submitted was going to be on the panel, too. He was not able to show up today from Washington State. So Mr. Karl Johanson, who was scheduled to be on this panel, will be on panel two in his stead, and we'll go from here.

Again, I would like to thank the committee, and especially you, Chairman Biaggi, for holding these hearings. It's not an opportunity that we as service providers have had a number of times in our somewhat brief experience as an industry within this country.

Last May we had hearings in the House regarding rural and specialized transportation that were really the first—they dealt primarily with the section 18 program and the Urban Mass Transportation Administration funding—held by the Subcommittee on Oversight and Investigations of the House Public Works Committee. That was the very first opportunity that we feel operators have had to bring their story to the people who have made the laws for our services and the people that we also service.

So, again, I thank you for this opportunity. It now is the second. Our voices obviously were heard in the initial hearing, and now it's gaining momentum as especially the cuts are taking place under Gramm-Rudman-Hollings and the cuts we have already experienced to date. So I appreciate this opportunity.

I'm going to depart somewhat from the text of my statement, because that will become a part of the record, for an opportunity to ad lib a little bit and state that I hate to come sounding a real bell of doom, but I'm afraid that we are in a crisis.

We are experiencing cuts, as you say, 4.2- and 4.3-percent cuts under the first phase of Gramm-Rudman-Hollings. When you combine that with the previous 4 to 5 years of slow deterioration of those funding sources, it amounts to much more than that. I don't have the specific statistics before me—it is in my testimony—to represent some of those, but we are to the point where the safety net that was at least proposed initially in the administration's remarks, the holes are growing larger in that net.

Mr. BIAGGI. We call that the "holey" safety net, with no religious connotation.

Mr. ISAACS. Whatsoever, I'm sure.

The holes are getting larger, and it's getting lower to the ground, too.

At this point in time, the very fact that we have transportation operators here in D.C. is, I think, significant by virtue of the fact that Mr. Johanson, for instance, is here only through the ability of four local social service agencies pooling funds for him to come, plus, if I'm not mistaken, a garage sale or yard sale to pick up the deficit on that; we have Connie Garber here who is paying part of her own cost to be here; because we do feel that it is important, and we do feel that everyone realizes that that safety net, at least in this particular area of transportation, does not exist. There is no one else who is going to provide this service once we are gone, and we are slowly losing grasp on it.

So if I am supposed to be setting the tone for this, I hope I don't set it too overly on the crisis side, but I'm afraid we are in that situation at this point.

I was a transportation director for 8 years, and my system began in fact in 1977. So we came on the scene with advocacy causes for the elderly at about the same time. But my service was initially a service for the elderly in 1977, and since that time I've moved on, after 7½ years in that field.

I feel that, while I can give a good overview of what is happening in this industry of nearly 5,000 operators across the Nation serving a little over 8 million individuals. The numbers I heard earlier of 35 million in need—that doesn't represent the fact that we are able to serve all of those individuals that are in need at the current time, nor really have we ever been in that position, to serve everyone who needed the service. So we're coming from 2 yards back even as we were in the best of times.

So as opposed to me spending a lot of time on my remarks, I would rather let you hear from the people who are now in the field every day, who provide the services to those individuals that are recipients of our concern at this hearing.

I would like to, as a result, introduce Judy Byman from Minnesota and ask that she make a few comments. Upon completion of her testimony, I would like to ask that Mr. David Raphael from Rural America join us at the table for questions. He has been a real resource for us in terms of some of the statistical information that we have had available.

We have submitted, I believe, a rough draft of NASTA's policy statement. I thought some of the remarks you made were reflective of having received that. We will be working on that further this week, and we'll submit that prior to the 2-week deadline, and the full and adopted revision will be in there.

[The revised policy statement follows:]

NATIONAL ASSOCIATION FOR TRANSPORTATION ALTERNATIVES

PROPOSED 1986 POLICY STATEMENT

Prepared by

NASTA's Legislative Committee

March 1986

National Association for Transportation Alternatives

1986 NASTA POLICY STATEMENT
(Working Draft)

Statement of Principles and Overview

Adequate, safe and affordable transportation is essential to the economic health and vitality of all communities, large and small, and is key to maintaining independent and productive lives for all Americans. It is clearly in our national interest to encourage the development of a balanced public transit system that is responsive to local needs and that effectively utilizes human and financial resources at the federal, state and local levels.

The National Association for Transportation Alternatives (NASTA), representing the nation's rural, small urban and specialized transit systems, urges the Congress to reaffirm its commitment to a national transportation policy designed to ensure that all citizens -- regardless of place of residence -- have access to needed human services and employment opportunities. Federal transit policies should address the elderly and disabled as part of the general public, even though they may have special mobility needs. Moreover, federal policies should target transit assistance to people in our society whose dependence on public transportation is greatest.

This year, public transportation in America is confronted with a major crisis. There is a critical need to maintain federal funding at stable levels while the Congress seeks to reduce overall budget deficits. There also is a need to continue the federal government's strong commitment to public transportation in the face of Administration proposals that would drastically change existing transit policies and federal participation within the current federal/state transportation partnership.

These challenges provide important opportunities to reappraise national policies, to reform the way transit programs are financed and administered, and to revise our funding and service priorities. Such a reappraisal is urgently needed, prompted in part by the Administration's proposed mobility block grant and pending tax reform measures before the Congress.

NASTA's 1986 Policy Statement is intended to address current problems and opportunities, by outlining a practical set of fiscally sound recommendations for strengthening our nation's public transportation system. This year's policy statement is divided into three sections: recommendations on funding policies; recommended structural changes in federal transit programs; and recommendations relating to operational issues.

For further information about the recommendations included in this statement, contact NASTA.

SECTION 1: TRANSIT FUNDING ISSUES

The following recommendations summarize NASTA's positions on transit funding and finance issues, including current and proposed levels of funding, sources of public transit revenues, and the allocation of those resources.

NASTA Policy Statement

Title: FULL FUNDING FOR TRANSIT

Problem Statement

While the costs of service provision continue to rise, federal support for transportation in rural and small urban areas--both direct and indirect--is being steadily eroded.

Background

Between 1981 and 1986, federal transit assistance has been cut by 21%. At the same time, other federal support, such as human service funding and general revenue sharing on which rural, small urban and specialized providers rely heavily has been drastically reduced or slated for elimination. This has meant a reduction in service to those who most depend on public transportation. The additional impact of the Gramm-Rudman-Hollings Deficit Reduction Act will impose public transit and human service programs with another 4% cut this year and a further 27% cut in FY '87.

Policy Recommendation

To meet the need for stable funding of public transit programs, NASTA calls for an adequate dedicated source through the gasoline tax structure and the Mass Transit Account of the Highway Trust Fund (see following policy recommendation). To halt the erosion of support for specialized transportation through the various human service programs, NASTA calls for a freeze in funding of those programs at the Fiscal 1986 level and their exemption from the Gramm-Rudman-Hollings automatic cut mechanism. While not approaching the full needs of specialized transportation, such a policy will at least avoid further reductions in this support component.

NASTA Policy Statement

Title: DEDICATED FUNDING

Problem Statement

The development of an adequate public transportation systems in the United States is adversely affected by the absence of a stable and dedicated source of revenue to support federal transit assistance.

Background

Until recently, all federal public transit assistance was financed from general revenues. Highway construction and improvements, however, are largely financed through the Highway Trust Fund, with funds generated from federal taxes on the sale of gasoline. Consequently, expenditures on roads and highways increase by 41% between FY '81 and FY '86, while transit funding declined by 21%. In FY '86, 99% of the Federal Highway Administration's budget is financed by motor fuel taxes, compared with only 28% for the Urban Mass Transportation Administration. Although federal public transit programs represent less than one-half of one percent of the federal budget, they have received a disproportionate share of funding cutback aimed at reducing federal expenditures.

Policy Recommendation

In order to stabilize funding for public transportation at adequate levels and to minimize the impact of federal transit expenditures on the general budget4t in future years, NASTA joins with other national associations in calling for the expansion of the Mass Transit Account of the Highway Trust Fund to provide a dedicated source of revenues for all public transit assistance programs. Within the Mass Transit Account, NASTA specifically recommends that 1 cent of the federal gasoline tax be earmarked for transit assistance in smaller urbanized and nonurbanized areas.

NASTA Policy Statement

Title: EQUITY IN TRANSIT FUNDING

Problem Statement

Rural and small urban areas receive far less than their fair share of federal transit funding.

Background

As reflected in the table below, the distribution of federal transit assistance is seriously biased against our smaller cities and rural areas. With roughly 50% of the nation's population, smaller urbanized areas and nonurbanized communities currently receive less than 10% of all capital and operating assistance from UMTA, while the largest 115 cities, representing the other half of our population, receive more than 90%. On a per capita basis, the larger urban areas receive over $28 per local resident, while transit systems operating in the rest of the nation average less than $3 per citizen.

. It is true than need for transit assistance is not just a matter of population, but includes such factors as income levels, age, access to private vehicles, etc. However, the existing pattern of federal transit funding does not reflect the geographic distribution of the population, nor is it based on transit needs.

Table 1

	Total US	115 Large Urbanized Areas	Rest of the Country
Total Population (000s)	226,545.8 (100%)	115,629.7 (51%)	110,916.1 (49%)
Poverty Population (000s)	28,091.7 (100%)	13,230.6 (47%)	14,861.1 (53%)
Elderly Population (000s)	25,938.7 (100%)	12,562.9 (48%)	13,375.8 (52%)
Households without Vehicle (000s)	10,370.3 (100%)	6,901.4 (65%)	3,478.9 (35%)
UMTA Funding ($ millions)	$ 3,569.5 (100%)	$ 3,244.7 (91%)	$ 324.8 (9%)

Policy Recommendation

NASTA calls for the development of a balanced national transportation system in which federal state transit resources are distributed on the basis of need as measured by population, income levels, age, access to private transportation resources and other relevant factors. As an initial step toward this kind of equity, NASTA recommends that federal transit funding to systems in small urban and rural areas be the equivalent of at least $10 per resident of the service area involved.

SECTION 2: STRUCTURAL REFORM

In this section, NASTA outlines its recommendations for major reform of existing transportation policies and programs serving smaller urbanized areas and rural communities, and for service to elderly and handicapped populations.

NASTA Policy Statement

Title: CONSOLIDATED RURAL AND SMALL URBAN TRANSIT ASSISTANCE PROGRAM

Problem Statement

Existing federal transit programs serving small urban and rural areas are inadequately funded, fragmented, and lack the flexibility necessary to respond in a coordinated manner to diverse needs and conditions in smaller communities.

Background

This year, major transit legislation must be reauthorized by congress. the Administration is proposing a massive restructuring of the present system in the form of so-called urban mobility block grants, which would consolidate existing transit programs into a single block grant to the states, leaving local and state government discretion over the allocation of those funds between roads and bridges and public transit services. At the same time, the Administration is proposing to cut the level of federal support drastically (existing transit assistance would be reduced by two-thirds to a $1.2 billions level).

Policy Recommendation

NASTA supports continuation of a strong and balanced federal commitment to both highways and transit, each with its own source of assured funding. Instead of the proposed block grant program, NASTA calls for a restructuring of federal transit assistance in a way that will assure a more equitable allocation of assistance to small urban and rural areas, that will facilitate program management that is responsive to the special and diverse needs of rural and small urban areas, and that will provide maximum flexibility and decentralization. Such restructuring should have the following elements:

1) Consolidation of existing federal transit assistance programs for smaller urbanized and non-urbanized areas into a Consolidated Rural and Small Urban Transit Assistance Program;

2) Delegation to the states of the maximum degree of day-to-day administrative responsibility consistent with assured achievement of national goals and objectives, with continuing active oversight and monitoring by UMTA;

3) Allocation of Consolidated Program assistance funds to the states on a formula basis that adequately measures transportation need in rural and small urban areas, using not only population but such other relevant factors as low-income, elderly, handicapped and other transportation-dependent populations;

4) Authorization of $1.2 billion in federal financial support for this Consolidated Program and designation of the proceeds from 1 cent per gallon federal motor fuel taxes to the Mass Transit Account of the Highway Trust Fund as a designated source of revenue for rural and smaller urban areas; and

5) Implementation of a national commitment to address the special mobility needs of the elderly, handicapped and poor, including a set-aside of a least 20% of all federal transit assistance to urbanized and non-urbanized areas for the provision of paratransit and other specialized services.

SECTION 3: OPERATIONAL ISSUES

The following section includes NASTA's recommendations on a broad range of issues of critical importance to the administration and operation of the nation's rural, small urban and specialized transportation systems. As a membership association made up of managers and operators of local transit systems, the specific issues identified and proposed policy recommendations reflect the actual experience of service providers.

NASTA Policy Statement

Title SECTION 16(b)(2) ASSISTANCE TO SPECIALIZED POPULATIONS

Problem Statement

Existing legislative and administrative restrictions on the Section 16(b)(2) program limit the full utilization and coordination of resources on behalf of the special needs of the transportation disadvantaged.

Background

Forty-three million elderly and handicapped Americans, or roughly 20% of the population, are dependent upon specialized transportation assistance. Yet, only 1.4% of UMTA funds are earmarked for those purposes through Sec. 16 (b)(2). Moreover, those funds can only be used to purchase vans, buses, and other capital equipment, and not to meet the costs of operating paratransit systems. In addition, the exclusions of public agencies as eligible recipients of Sec. 16(b)(2) funds is an obstacle to the development of locally coordinated transit systems to serve the elderly and other members of the riding public.

Policy Recommendation

NASTA recommends that at least 20% of all UMTA capital, operating and administrative assistance be targetted toward paratransit and other specialized services for the transportation disadvantaged. Section 16(b)(2) funding should be available to meet both capital and operating needs, as determined locally, and all public and private transit systems should be eligible to receive Section 16(b)(2) funds.

NASTA Policy Statement

Title: PRIVATIZATION

Problem Statement

Recent UMTA initiatives designed to increase private sector participation in the federally supported provision of transportation services ignore the basic characteristics of the public transit industry in smaller cities and rural areas.

Background

Proposed UMTA directives to stimulate private contracting of services by local transit systems ought to be re-examined in light of the historic evolution and current operating conditions in urbanized and non-urbanized areas. For example, they ignore fundamental differences between the large urban centers and smaller communities, and fail to distinguish between the private voluntary sector and other private service providers. Further, they provide incentives for private sector participation rather than for service quality and for meeting needs of local communities. In many smaller communities, local government currently relies on an extensive network of private voluntary agencies to provide public and specialized transit services. Neither these local systems nor the local officials they represent the participated in the formulation of UMTA policies relating to privatization.

Policy Recommendation

NASTA supports the full and effective use of all public and private sector resources in meeting the nation's transportation needs. Public policies designed to increase the efficient use of federal financial assistance should reflect the special needs and limited resource base of smaller communities. Federal incentives should encourage quality, cost effective service, but the appropriate mix of public and private resources should be determined locally.

NASTA 1986 POLICY STATEMENT

ISSUE: NEW STARTS

Problem Statement

Existing federal transit legislation and appropriations make no provision for the development of new public transit systems in smaller cities and rural areas.

Background

Each year, the Congress and Department of Transportation allocate special federal transit funds for starting new systems or expanding existing ones. Virtually all of those so-called new start funds are earmarked for the larger urbanized areas. In FY '86, for example, $385 million in UMTA appropriations will be set aside for new starts or extensions in 10 major cities — an amount equal to the entire capital and operating assistance budget for smaller cities and nonurbanized areas combined.

Policy Recommendation

NASTA recommends that funds be authorized and appropriated at adequate levels to assist smaller cities and rural areas in starting new public transit systems. These funds should be in addition to those currently utilized to support on-going transit services in these areas.

Mr. ISAACS. In closing, I also would like to briefly summarize some of our recommendations which, I think, need to be stressed. First, we encourage the subcommittee to think of this hearing as the first of a series on the subject, because we feel more attention needs to be given to this, and most especially field hearings we think would be helpful. If you could see in the field what is happening, I think that would be very helpful.

The recommendations that you see in our policy statement, as I say, are in somewhat a rough draft form. I'm certainly heartened to hear that you have accepted some of those in your statement. We are delighted to hear that. It's one of only one or two bright rays that we've seen in the last couple of days. So I really appreciate those comments.

With that, I'll close. Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Isaacs follows:]

Testimony of Robert R. Issacs, President

National Association for Transportation Alternatives (NASTA)

INTRODUCTION

Chairman Biaggi and Members of the Subcommittee, my name is Robert R. Issacs, and I come before you today with a tremendous burden. As President of the National Association for Transportation Alternatives (NASTA), I represent an industry of over 5,000 rural, small city and specialized transit systems currently operating across the United States. More importantly, I represent the more than eight million elderly, handicapped and rural Americans served annually by those systems. My task is not only to relay to you who we are and the numerous problems community transit agencies face today, but to convey to you the crisis that now confronts us and, in turn, those in our society who are dependent upon public transportation.

To help with those tasks, I have asked two members of our association to join me at today's hearing. With me are Judy Byman, the director of Arrowhead Transit in Virginia, Minnesota, and Karl Johanson, the director of the Whitman County Council on Aging in Colfax, Washington. If there is time, I would appreciate the opportunity for both to make brief statements.

THE ROLE OF TRANSPORTATION

The majority of Americans today enjoy an extraordinary freedom of movement because they have access to private transportation to meet their most basic needs. In this mobile and affluent society, the private automobile has largely replaced public transportation as the principal means of getting to work and fulfilling most other economic and social needs. However, for many of our citizens, particularly the 37 million people over 60 years of age, the private auto is not the answer. For most of them, publicly assisted transportation is the key to maintaining physical and mental health, and for remaining active, independent and productive citizens within their own communities.

According to the Administration on Aging (AoA), one in nine people in this country today is 60 years of age or older. By the year 2000, that figure will rise to one in six. Furthermore, the over-85 population -- the so-called frail elderly -- currently numbers over 2 million, and by the mid-21st century, will increase to 16 million. For decades, every survey conducted among the elderly by AoA and others has identified transportation as a basic necessity and a top priority.

All of our members have witnessed first hand the dramatic difference that transportation makes in the lives of older people. They have seen how the problems of isolation, depression, and malnutrition, for instance, consistently and immediately improve with access to medical facilities, social and recreational activities, and opportunities for employment and volunteer work. There is no question about the fact that mobility is essential to a person's mental and physical health, as well as to the overall quality of life.

WHO IS THE GENERAL PUBLIC?

These hearings are extremely important as a means of raising public consciousness about transportation issues facing the nation. Some people like to refer to certain segments of our society -- namely the elderly, the handicapped, and the poor -- as being "transportation disadvantaged" because they don't own or can't drive cars. But calling them transportation disadvantaged somehow implies that they are partly to blame for this situation. The fact is that they are simply overlooked in our national transportation policies.

Throughout our history, public transportation has been viewed as a system that serves primarily the needs of the young, the able-bodied, the urban worker, and the suburban commuter -- and relegates all others to a category of "transportation disadvantaged." It is a system that has largely ignored 37 million older Americans, 6 million younger disabled people who do not have access to traditional public transit, 37 million individuals who fall below the poverty level, and 56 million rural residents. This oversight is mirrored in the fact that transit funding set aside for rural areas and for the elderly and handicapped combined, totals only 3% of the total transit funding administered by the Urban Mass Transportation Administration (UMTA).

Because of this discriminatory policy, our members and many others who care about the well-being of older Americans have struggled over the past 10 years to piece together bits and remnants of often unrelated human service funding resources in an effort to ensure that the elderly have access to basic health and other services. Most of our members, you see, come out of social service backgrounds and are very much aware that the most needy must have transportation assistance in order to obtain these services.

ELDERLY TRANSPORTATION IS IN CRISIS

These hearings also are extremely timely. America's elderly and others dependent upon specialized transportation are facing a crisis. Vital transportation services are being curtailed or eliminated in many communities throughout the country as a result of funding cutbacks at the federal and state levels. We're talking about services that are essential to the ability of millions of older and handicapped people to lead independent lives and to remain in the mainstream of society.

There is a real and growing danger that the nationwide network of specialized transportation systems -- a network that has taken more than a decade to build -- may be insidiously eroding because of cuts in federal programs on which it depends. While we have been working here to patch together a method of supporting these critical transit services, many in Congress have permitted the chipping away of the very meager resources available to the elderly.

In recent years, as community transit services have expanded to meet the long neglected needs of the elderly, we have begun to speak of specialized transportation as an industry -- as a special segment, really, of the public transit industry. However, unlike our big city cousins -- those metropolitan transit authorities who have the resources and political clout to sound a ringing national alarm -- the operators of smaller transit systems and local human service agencies who make up the specialized transit network are in real danger of silently being eliminated.

Many local systems whose financial stability over the years has always been precarious, and who have frantically had to tread water simply to keep their senior van program or dial-a-ride service afloat, are in danger of quietly slipping below the surface as essential funding resources are shut off. Except for opportunities such as these hearings, the voices of the elderly and the thousands of public and private transit agencies established to serve them are seldom heard.

VOICES FROM THE FIELD

I'd like to share with you a few examples of how the current crisis is affecting local communities and people who depend on publicly supported transportation.

- In Missouri, kidney dialysis and chemotheropy patients will no longer be transported from outlying rural counties to urban-based treatment centers because cutbacks in Section 18 public transit assistance for nonurbanized areas will force termination of all costly, long-distance service.

- In Cincinnati, a residential treatment center has had to park its one van because its only driver was let go when funding for basic services was reduced.

- A rural system in Ohio, which last year provided 22,000 trips to elderly clients may have to shut down because of the threatened loss of general-revenue funds next year.

- A rural system in California, which is the only public transportation available in the entire county, reports that handicapped riders will be without essential services later this year as a result of cuts in state and federal assistance. This and similar agencies nationwide are dependent upon federal support since farebox revenues usually cover less than 20% of their costs.

- Another California operator is unable to make long distance telephone calls, even to request help, because all non-essential expenses have had to be eliminated.

- And in Roxbury, Massachusetts, a senior center that serves a low-income elderly neighborhood must now depend on only one volunteer driver to bring over 100 people daily to its nutrition and other health programs, due to staff cutbacks. The lack of transportation often means that services are denied to those most in need — the frail, the poor and others without access to private transportation.

IMPACT OF GRAMM-RUDMAN-HOLLINGS

Like many needed social services, elderly transportation will suffer as a result of funding cutbacks required under Gramm-Rudman-Hollings. This year's 4.3% cut will be added to an overall 12% reduction in federal transit appropriations for FY '86. Next year, the outlook is even bleaker. Under Gramm-Rudman, FY '87 reduction estimates range from 15 to 25%. In addition, the President's proposed budget calls for reducing public transit funding by two-thirds, and transferring all administrative responsibilities to state departments of transportation.

The crisis that I spoke of earlier actually reflects the cumulative effects of declining federal support and a growing imbalance in our national priorities over several years. Between 1981 and 1986, federal assistance for transit has declined by 21%, while federal funding for highways, for example, actually increased by 41%.

This skewing of our priorities is causing a loss of irreplaceable transit services and an unnecessary increase in human misery -- particularly among the elderly and those whose dependence on public support is greatest. It is for these reasons that NASTA's Policy Committee is calling for a funding freeze next year for all transit and related human service programs at Fiscal 1986 levels, and their exemption from the Gramm-Rudman-Hollings automatic cut provisions.

BEYOND GRAMM-RUDMAN

It is important to understand the complex mosaic of federal and state programs that currently supports rural, small city and specialized transportation. Because the needs of the elderly, the handicapped and smaller communities have not been addressed through our national transportation policies, it has been necessary to rely on an intricate network of social service programs and agencies to provide essential transit services. Today, over 5,000 public and voluntary agencies are in place throughout the country, furnishing transportation to special client groups, including the elderly and disabled.

Many of these agencies represent the only source of public transportation available in their communities. They provide basic transit

services for shopping, medical care, commuting to jobs, and for special activities such as travel to nutrition centers, sheltered workshops and many others. They have no one common source of support, but are dependent upon an array of more than 100 federal transit, revenue sharing, and human service resources.

Transportation for the elderly crosses all program boundaries. It is often the common thread that runs through federal, state and local assistance efforts. Rural, small city and specialized transit operators must be innovative and resourceful in their use of these categorical programs in order to survive. Continued service to the elderly and others without access to private transportation requires an intricate "meshing" of these diverse program resources. It is a delicate balancing act that can be profoundly affected by the loss of any program.

Thus, it is important to recognize that the current transportation crisis facing the elderly is not the result simply of Gramm-Rudman cuts, but the crumbling of the entire support structure upon which the network depends. It's like the old analogy of being run over with a buzz-saw, where it is impossible to determine which blade is the one that is fatal. In addition to the major funding cut backs within the UMTA-administered transit programs, local operators are facing the complete elimination next year of general revenue sharing, and reductions in other programs of major importance to specialized providers, such as the Older Americans Act, Social Services and Community Services block grant programs, funding for Headstart, and many others.

Unless a halt is called to the needless destruction of these social programs, or unless transportation is specifically mandated by the Congress as an essential part of overall assistance to the elderly, children, and the disabled, the result will be the dismantling of vitally needed transit services in the wake of the federal budget-cutting buzz-saw.

RECOMMENDATIONS

Our first recommendation is to encourage the Subcommittee to think of this hearing as the first of a series on the subject. Additional, in-depth hearings are needed, and we urge you to consider holding several field hearings in selected states, along with a second Washington hearing, at which federal policy officials and program administrators could be invited to respond to the Subcommittee's findings.

In addition, I would like to share with you the policy recommendations that have been developed by our association. Some of the specific recommendations were included in my earlier comments. But, for your information, I am also attaching to my written testimony the proposed policy statement that our Legislative Committee recently developed, which I hope can be made a part of the record.

This week, we are holding our annual Legislative Workshop here in Washington, where our members will formally adopt this year's policy statement and additional recommendations that are related to the subject of these hearings. I would be happy to provide the Subcommittee with a copy of the final policy recommendations, and would hope they will provide useful guidance in the months to come.

CLOSING

Mr. Chairman, this concludes my prepared remarks. I would be pleased to respond to any questions that members of the Subcommittee have, and I have asked our Washington Representative, David Raphael, to join me for that purpose. In closing, let me express our appreciation to you for the invitation to appear here today, and commend the Subcommittee for holding these important hearings. We offer the continued assistance of our association as you pursue these issues, and urge you to call upon us.

Mr. BIAGGI. Ms. Byman.

STATEMENT OF JUDY BYMAN

Ms. BYMAN. I am Judy Byman, and I've been in the transit business for almost 12 years now. Arrowhead Transit began under title III of the Older Americans Act.

The area that I come from is a very depressed area. It's called the Iron Range of Minnesota. Obviously, with the kinds of things that are happening in the steel industry, you can imagine, I'm sure, that our unemployment rates at this point are over 20 percent.

The area that I provide transportation for, with 40 accessible units, is 20,000 square miles, which is larger than many States. In that region, we transport approximately 300,000 people a year on those vehicles. When we begin talking about a 4.3-percent cut in transit, that in actuality is not what is happening. I have a consolidated, coordinated system, and we are getting 4.3-percent cuts from elderly programs that contract with us, from Head Starts, from job programs.

Every program that needs transportation, which is all of them, are also cutting our budgets at 4.3 percent on the revenue side. So it is not just a 4.3-percent cut to transit. It becomes a very large snowball by the time it reaches us.

At the same time, we're getting calls from a Head Start Program in my region that said, "As of tomorrow, we have no insurance, because it went from $1,000 to $10,000;"—it's more than their entire transportation budget—"would you please start hauling tomorrow?" We are providing transportation for them. But the costs are going up for insurance for us as well as everyone else. Our needs are growing, and, at the same time, our sources of money are becoming very thin.

Sometimes I think it's very hard to explain to people what my system is like. I've got people who get on a bus and go 300 miles, round trip, to get to the doctor. That's a very long bus route. We have had, before the mines shut down, a 185-mile commuter route. The majority of our people have no other means of transportation. It's not a matter of calling a taxi; there aren't any. Greyhound dropped 72 stops in my area alone under the deregulation because the volume was not there. So we have some real concerns about getting people to services.

I guess one of the other things that I'd like to mention is that rural transportation is our meat and potatoes. No; we're not talking 30-minute headways, we're not talking weekend, evening services; we're talking in some areas twice a month service, once a week service. Yes; some of the areas do have daily service, but those are not the rule.

For many of my elderly people especially, their first contact twice a week is with that driver. My drivers have, unfortunately, had to become very good at kicking in doors and breaking windows because the lady or the gentleman was not out at the mailbox to catch the bus; they hadn't called. They learn that that's a problem and go in and look. We have found them with broken hips, fallen, for several days.

So the transportation is more than the fact of being mobile. People have a right to be mobile in rural areas. It's also a necessity of life for them.

I guess my last comment, talking about the snowball effect of our cuts, also has to do with what rural transit does for the economic base of our communities as well, not only with our employees; we have contracts for the maintenance on those 40 vehicles with a private, for-profit company. With the kind of cuts we are looking at, that is also going to mean less service and less dollars for our contractor, who will also then have to lay off. In the situation that we are with economically already, that's going to add an increased burden.

[The prepared statement of Ms. Byman follows:]

REPORT OF JUDITH A. BYMAN, DIRECTOR
ARROWHEAD TRANSIT
VIRGINIA, MINNESOTA
BEFORE THE
SUBCOMMITTEE ON HUMAN RESOURCES
HOUSE SELECT COMMITTEE ON AGING
U.S. HOUSE OF REPRESENTATIVES
MARCH 12, 1986

Chairman Biaggi and Members of the Committee, my name is Judith A. Byman. I am the Director of Arrowhead Transit, which is operated by Arrowhead Economic Opportunity Agency, a private, non-profit corporation, headquartered in Virginia Minnesota. Arrowhead Transit is a consolidated, rural, public transit system, comprised of 40 lift accessible vehicles, covering a seven (7) county area of 20,000 square miles. Of the 300,000 people transported annually, approximately 25% are handicapped and 45% are elderly. The Arrowhead Region has one of the highest rates of unemployment in the nation and is suffering from intense economic problems.

However, transit remains one of the top priorities for local counties which is demonstrated by the local dollars put into the system for both capital and operating far exceeding any required match.

Rural Transit is, also, a high priority for the State of Minnesota. Minnesota has been investing State dollars in transit since 1978. The 1986 - 1987 biennium investment will equal approximately 43 million dollars. Minnesota, also, has a dedicated transit fund through the Motor Vehicle Excise Tax account. In the following testimony, I will attempt to raise certain points concerning the "compound effect" of the Gramm-Rudman budget reductions.

RURAL, SPECIALIZED TRANSPORTATION SYSTEM DEPENDS ON SECTION 18 DOLLARS AS A BASE FOR THE BUDGET

Section 18 of UMTA provides a base for rural transit systems on which to operate. In Minnesota, 29%, or 1.2 million annually, of the total budgets of Rural and Small City systems is generated from Section 18. 37%, or 1.5 million, is from local sources, including fare box revenue, contract revenue and local property taxes. 34%, or 1.4 million, is generated from the State of Minnesota. The State of Minnesota was appropriated 3.30 million dollars from Section 18 which, under current expenditures, would reflect a $182,000.00 deficit.

Due to the fact Section 18 dollars are for Public Mass Transit, it provides transportation to transit dependent people without restriction to age, handicap or income.

In Minnesota, rural systems reflect the greatest need for continued service. 67% are elderly (over 65 years of age). 58% have no other means of transportation. The Minnesota Legislature is presently deliberating reductions in funding to all departments, including transit, due to the large deficit the State is facing, in part, due to Federal programs being returned to the responsibility of the State. The amounts range from $9 - 15 million for the biennium, out of a biennium budget of $43.6 million.

Transportation to over 12.2 million riders in Minnesota also incorporates Volunteer Drivers who are utilized as escorts on vehicles, providing transportation services to get passengers to a route as well as, at times, providing the actual service.

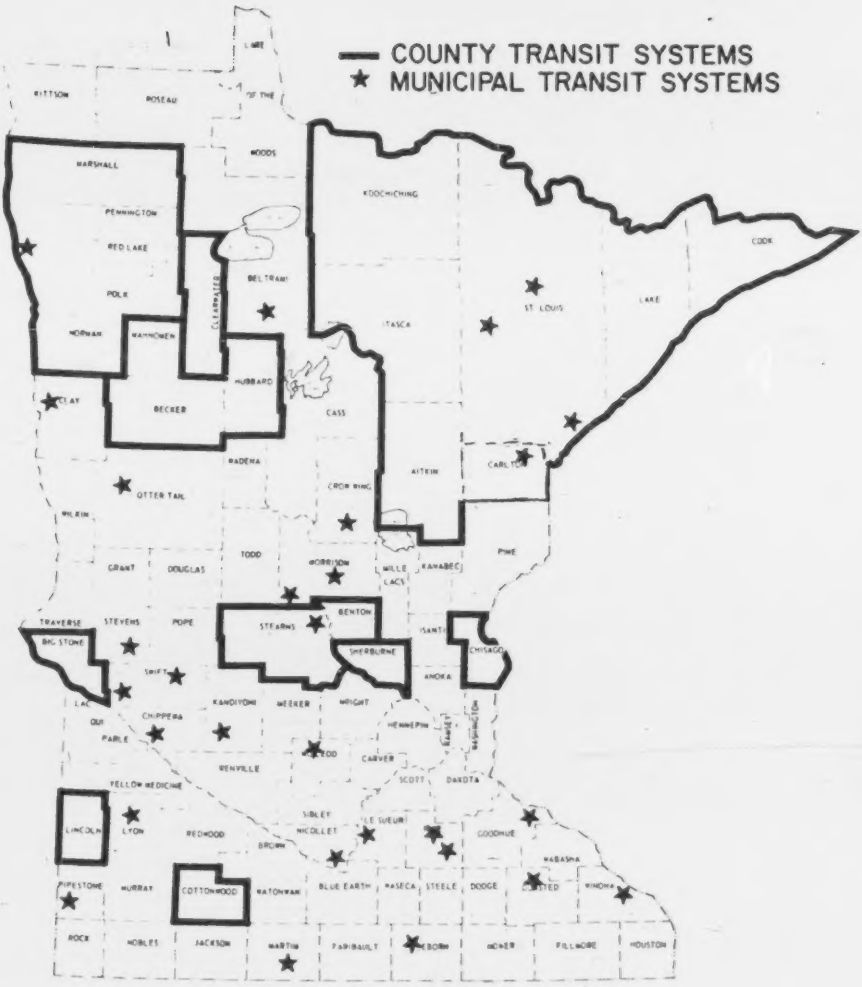
IMPACTS OF OTHER FEDERAL SOURCES

To compound the situation, rural transportation has a multifaricity of funding sources. Section 18 has become the "glue" which holds the budget together.

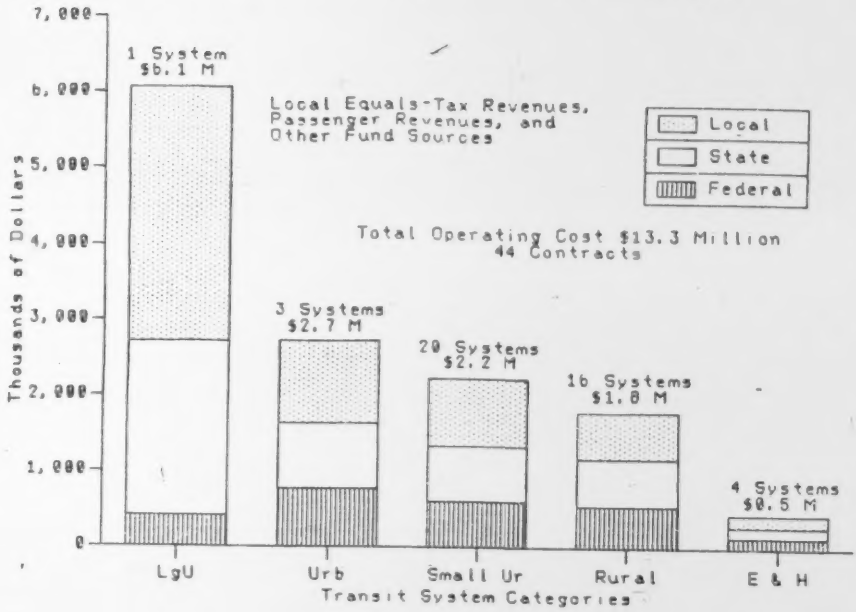
When Gramm-Rudman cuts are instituted in other programs such as HEW, the reductions also effect transit through the "revenue" side, i.e., many rural systems provide Head Start transportation. Therefore, when Head Start operators reduce service, it reduces the fares to transit. This is true for all cuts in all areas, such as Medical Assistance, Dollars to Disabled, Title XX, Older Americans Act, etc. Reductions in these "revenue contracts" do not automatically reduce expenses, as coordinated routes must continue to operate. Only fares paid by passengers or agencies are eliminated. The service becomes less efficient and at greater cost per passenger.

An additional crisis is the potential elimination of Federal Revenue Sharing. Many systems utilize Revenue Sharing for the local match requirements of both Federal and State dollars. Those systems which receive property tax dollars for local match, are also hurt due to the substantial increased burdens being placed on property taxes.

In summary, a Federal 4.5% reduction in fiscal year 1986 and a 15% - reduction in fiscal year 1987, in actuality could be a 20% - 60% reduction in Rural and Small city transportation. Neither fare increases nor local dollars will be available to replace these lost dollars. In many cases, it will result in the elimination of service and systems in areas which have no other transportation alternatives. To our passengers, elimination of services will mean the loss of mobility, increased health problems and loss of quality of life and relegation to a nursing home far earlier than would be normally required. Public transportation is the key to healthy and productive lives and a means to life-support services.


COUNTY TRANSIT SYSTEMS
MUNICIPAL TRANSIT SYSTEMS
KITTSON
ROSEAU
MARSHALL
PENNINGTON
RED LAKE
POLK
NORMAN
MAHNOMEN
CLEARWATER
BELTRAMI
HUBBARD
CLAY
BECKER
CASS
KOOCHICHING
ITASCA
ST. LOUIS
LAKE
COOK
AITKIN
CARLTON
OTTER TAIL
WILKIN
GRANT
DOUGLAS
TODD
MORRISON
WILLE LACS
KANABEC
PINE
TRAVERSE
STEVENS
POPE
STEARNS
BENTON
SHERBURNE
ANOKA
CHISAGO
BIG STONE
SWIFT
KANDIYOHI
MEEKER
WRIGHT
HENNEPIN
RAMSEY
WASHINGTON
CHIPPEWA
RENVILLE
CARVER
SCOTT
DAKOTA
YELLOW MEDICINE
LINCOLN
LYON
REDWOOD
SIBLEY
NICOLLET
LE SUEUR
GOODHUE
BROWN
WABASHA
PIPESTONE
MURRAY
COTTONWOOD
WATONWAN
BLUE EARTH
WASECA
STEELE
DODGE
OLMSTED
WINONA
ROCK
NOBLES
JACKSON
MARTIN
FARIBAULT
FILLMORE
HOUSTON

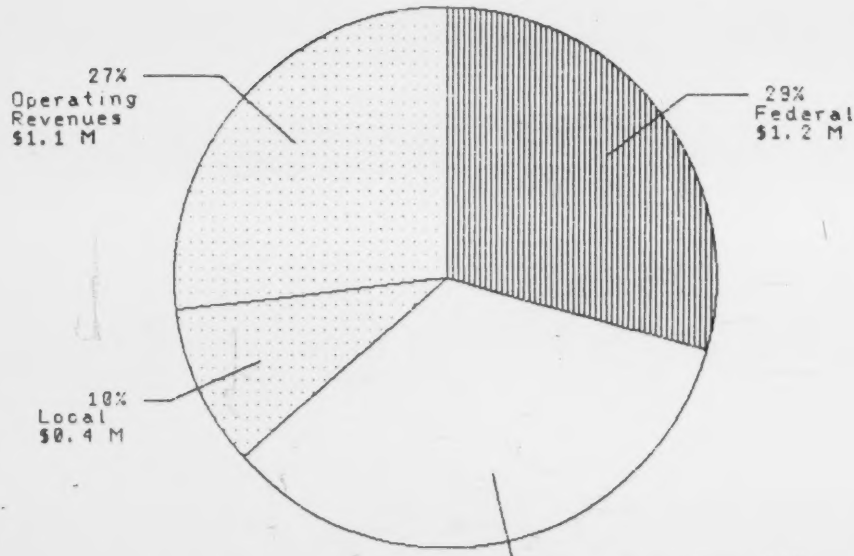
1984 GREATER MINNESOTA PUBLIC TRANSIT
COST SHARING
Amount by Fund Source and System Category



LgU	Urb	Small Ur	Rural	E & H
Duluth	Moorhead	Albert Lea	Appleton	Duluth
	Rochester	Bemidji	A.E.O.A.	Moorhead
	St. Cloud	Benson	Big Stone	Rochester
		Brainerd	Chisago	St. Cloud
		Cloquet	Clearwater	
		Fairmont	Cottonwood	
		Faribault	Lake of the Woods	
		Hibbing	Leech Lake	
		Hutchinson	Lincoln	
		LeSueur	Mahube	
		Mankato	Pelican Rapids	
		Marshall	Pine River	
		Montevideo	Sherburne	
		Morris	Tri-Cap	
		Northfield	Tri-Valley	
		Pipestone	Upsala	
		Red Wing		
		Virginia		
		Willmar		
		Winona		

Office of Transit
12-9-85

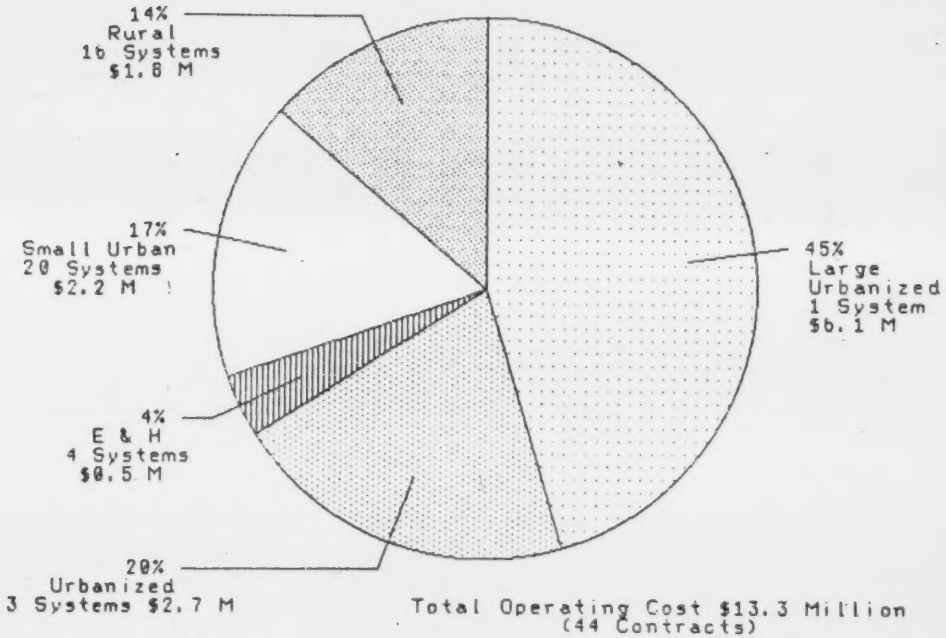
1984 GREATER MINNESOTA PUBLIC TRANSIT
RURAL & SMALL URBAN SYSTEMS
TOTAL OPERATING COSTS
Percent by Fund Source



Total Operating Cost $4.1 Million
36 Contracts

Office of Transit
PieDMb 12-9-85

1984 GREATER MINNESOTA PUBLIC TRANSIT
TOTAL PROGRAM COSTS
Amount by System Category



Total Operating Cost $13.3 Million
(44 Contracts)

OT PieD4 12-9-85

Mr. BIAGGI. Thank you.

Ms. BYMAN. If you have any specific questions, I would be happy to answer them.

Mr. BIAGGI. We have a hatful, but we will try one or two.

The issue of improved coordination at the Federal level between the programs seems to be at the heart of the reforms we can make in our present national policy, and from NASTA's point of view, how serious a problem is fragmentation, and where do you see the likely areas of specific programs where coordination might be possible?

Mr. ISAACS. With the Oberstar hearings that I referred to earlier, the identification of the coordination issue was a key problem, and it still is. The predominant sources of funding for our services originate from the U.S. Department of Health and Human Services and the U.S. Department of Transportation, Urban Mass Transportation Administration.

Prior to the Oberstar hearings, there had been efforts at coordinating those resources before, but they had largely not been successful, and they had largely not been undertaken with a great deal of gusto.

Since that hearing, there has been a Federal coordinating council established that utilizes representatives from both of those departments, and I am happy to report that they have been meeting and they have been moving on it, and I appreciate those efforts.

I would like to see, of course, more done. I would like to see some real efforts undertaken with funding put behind those efforts to see some changes made.

In those areas of which sources within the Urban Mass Transportation Administration, as you know yourself, Congressman, the section 16(b)(2) program and the section 18 program are purposefully not together. They are two separate programs. One is capital, that I know you've had an interest in providing some percentage of funding set-aside for operating purposes, and I think that's very important for those private non-profits. But in a rural area, where you have one single operator who can provide the public service and another operator who is eligible for the 16(b)(2) capital equipment program who can operate the vehicle, it would be very convenient if those two programs could be more closely coordinated.

Within HHS, I think of course we can mention the Medicaid program, we can mention the title III(b) and III(c) and even the title V program for the older workers. A lot of our systems utilize older workers for part-time positions within their systems, and I know in the system that I did run, I couldn't have done without those employees for dispatchers, bus escorts, to aid people in helping them on and off the bus, carrying groceries. Now that is becoming less and less available to us because they are being placed—the push is to place them in unsubsidized employment in the sector, which I think is a wonderful thing, but it just doesn't work that well with the title V program, which also, by the way, is one of the most successful programs we have in the social service network that we fund at the Federal level.

I'm getting off on a tangent here, but I'll bring myself back around in a little bit.

It's working. There is coordination taking place. There is communication taking place. But if there's anything that I can stress at this hearing, it is that all the communication and all the coordination in the world is not going to get those 35 million elderly and handicapped individuals who need transportation a trip to the doctor's office. I don't care how long you talk and how many meetings you hold. There's not enough money, and that is one of the primary and most key elements that this committee, I hope, will look at.

Mr. BIAGGI. There never was enough money. Even in the best day, there wasn't enough money. The fact remains, you're not talking about the golden years as we knew them. I qualified that; I said "as we knew them." You're talking about the realities of today, in which we will see, at one point, 1.4 million rides lost.

Very frankly, I'm not optimistic about getting additional money. So it's incumbent on us to try, within the current framework, to maximize whatever funds we have to produce as much transportation as possible.

But if there's any hope—let me give you this last bit of hope. It's a dismal hearing. No one expects to leave here, in a sense, in a state of euphoria. But I will tell you that, given the cyclical history of the Congress and its appropriation procedures and the funding levels, just regard this as a plateau, a shaky one at best. There will be better days.

We have been joined by Congressman Mike Synar, the gentleman from Oklahoma, who serves as chairman of our Task Force on the Rural Elderly, a noted leader in this area. He certainly attends, together with other members of the committee, to the rural dimension, which is oftentimes lost, and oftentimes, frankly, some of the horror stories we hear make you wonder about whether the critical needs are.

Ms. Byman just talked in terms of just twice a month would be satisfactory in some areas, a 300-mile trip to go to a doctor.

Ms. BYMAN. You know, when the town population is 12, and twice a month my bus gets there, and it's one of the first stops in several towns, and picks up 9 people because there is only one car in the town, it becomes very critical.

Mr. BIAGGI. Tell me the name of that town.

Ms. BYMAN. It's Lawyer, MN.

Mr. BIAGGI. I'll make sure I bypass it.

Mr. ISAACS. Except on the day the bus comes by.

Ms. BYMAN. It was not one of Greyhound's hot spots, believe me.

Mr. BIAGGI. I know.

Mr. Synar, do you have an opening statement?

Mr. SYNAR. Just a unanimous consent request to enter one.

Mr. BIAGGI. Without objection.

[The prepared statement of Representative Synar follows:]

PREPARED STATEMENT OF REPRESENTATIVE MIKE SYNAR

Mr. Chairman, I want to thank you for holding these hearings to assess the effect of budget cuts on transportation services for elderly and handicapped individuals. A transportation survey conducted by the Oklahoma Unit on Aging reports that transportation is the number one concern of Oklahoma's elderly. As Chairman of the Aging Committee's Task Force on the Rural Elderly, I can say without a doubt that

meeting the transportation needs of our senior citizens in rural areas continues to be a problem.

We have worked hard on this Committee and in Congress to insure that medicare protects senior citizens from huge out-of-pocket medical expenses. We have guaranteed the financial security of social security well into the next century. With enactment of the Older Americans Act we have gone a long way toward meeting the nutritional needs of senior citizens. But we have fallen far short in our efforts to reduce the loneliness and isolation of senior citizens who are too poor to own cars and live in areas without public transportation.

In rural areas the problem is compounded by the wide open spaces and deteriorating economy. Many communities are turning into ghost towns making services even scarcer and isolating seniors even more. For example, in two Oklahoma counties there is no public transportation or senior citizen bus service. The nearest doctor is 40 miles away. There is a senior citizen nutrition center, but it will go unused if seniors have no way to get there.

Gramm-Rudman, and to an even greater degree, the President's proposed budget threaten the economic viability of Oklahoma's rural and elderly transportation programs. The proposed elimination of revenue sharing, community service block grants and operating and capital funds in the mass transit budget would leave many seniors without transportation. In my Congressional district the bus services funded with these monies are the only game in town. They are the only way elderly have to get to the doctor, the grocery store and the senior centers.

Oklahoma's senior citizens rely on transportation services which receive federal funding from three different programs: Title 3 of the Older Americans Act, section 16–b for elderly and handicapped transportation services and section 18 for transportation systems in small and rural towns. The Oklahoma Administration on Aging indicates that 55% of the passengers use the services for trips to the doctor and shopping; 45% of the passengers use the services to get to senior citizen nutrition centers. Last year the states' 301 programs provided a total of 1.7 million rides.

The Gramm-Rudman cuts which went into effect on March 1 are hurting the rural elderly in Oklahoma. To cut operation costs, some bus services have limited services to regular routes, leaving those elderly which live off the beaten track without transportation. Program directors are trying desperately to cut costs without curtailing services, but additional funding cuts could mean the elimination of transportation programs entirely.

Mr. BIAGGI. Ms. Snowe.

Ms. SNOWE. Thank you, Mr. Chairman, and I want to thank you, Mr. Isaacs and Ms. Byman, for your testimony.

Ms. Byman, it sounds like your district is a lot like mine, although I surpass you in terms of square miles—I represent a Congressional district that is 26,000 square miles in size. So I can understand some of the problems that you have been describing today.

I'm sure that Connie Garber will also be elaborating on the difficulties in large rural areas and how to provide transportation services to our senior citizens and those who are in need of that kind of assistance.

Mr. Isaacs, you have suggested a number of reforms in the program. It's a given that we are not going to be able to provide more funds in 1987. The question is whether or not we can at least maintain the existing funding at the 1986 level. I think you would agree with that, would you not?

Mr. ISAACS. In fact, in a short-term acceptance, we support it wholeheartedly. If we could go away from this year with current level funding, we would feel as though we had won a great battle.

Ms. SNOWE. I gather that what you are suggesting here today in your policy statement on the structural reforms is a priority for your organization and providers.

Mr. ISAACS. It's a wish list. I'll be absolutely honest with you. We sat down in a very congenial setting and said, "OK, if we could

have anything that we wanted, what would we have? What would that ideal situation look like?" So you see before you a refined statement of what that conversation and what that meeting represented.

As a long-term goal, we feel as though major restructuring is necessary. We feel that funding coming from two different departments within the Federal Government—and that is somewhat a misconception because within HHS alone that funding comes from a number of different agencies within HHS. So the communication even within one Federal agency gets to be rather burdensome at times.

So it's as though you're dealing at times with 50 different funding sources. There are almost 100 different sources that can be used for transportation.

So the statements that are in there are our best efforts and wishes, but we feel it at least deserves major restructuring, it at least deserves consideration and some discussion.

Ms. SNOWE. I absolutely agree with you. If anything, if we could restructure, consolidate, and coordinate all of the existing funding sources at the Federal level, it would be much easier. It seems to me that we also need to standardize the eligibility criteria in the process of coordinating and consolidating the programs.

Mr. ISAACS. You're familiar with this field, I can tell already.

Yes; it's really difficult when you've got one Federal agency defining elderly as 55 and above, and others 60 and above, and even others 65 and above. What do you do in a year of funding cutbacks? I know that a lot of the proposals and a lot of the recommendations and a lot of positions that agencies are having to take is raising the age of eligibility for persons under the Older Americans Act, and things like that. Those are, of course, options that we have.

But, yet, coordination, just as that one example—a consistent approach to the age, of what is an older person. That is just one example. If we got into talking about the paperwork and those kinds of burdensome administrative headaches as a result of those numerous funding agencies, that's a different picture altogether.

Ms. SNOWE. What about combining the funding between the Department of Transportation and the Department of Health and Human Services?

Mr. ISAACS. I think that's somewhat of what we really are pushing in the statement. I know that no one would want that to be done without serious consideration being given to the ultimate reaction or what that will actually cause. I know that's a major change to be talking about.

But from an operator's standpoint, our administrators of these systems spend an inordinate amount of time administratively just reporting back to the numerous funding sources that they have.

I don't want to get into anyone's testimony, but we have some members who will be speaking to you that have 19 and 21 different funding sources in their system, that each require different reporting mechanisms.

I don't know. To me, that just seems rather ridiculous to have to do that, but it's a fact of life. But taking those 19 or 21 or 100 different sources and combining them into 1, to me, makes a lot of sense.

Ms. SNOWE. Finally, Mr. Isaacs, I was reading in your NASTA policy statement about the issue of equity in transit funding. What would you suggest is a way in which to distribute the Federal transit funds so that there's greater equity between urban and rural areas? As you mentioned, on a per capita basis, the large urban areas receive $28 per local resident while transit systems operating in the rest of the Nation average less than $3 per citizen.

Mr. ISAACS. A couple of things. One, with the urban areas funding, a lot of those are based on an entitlement, in essence. It's not called that, but they have a certain percentage set aside specifically for them, and everyone else is based on an apportionment based on population or other reasons.

In terms of comparing rural and urban, there's no doubt that the urban centers need a lot of money to transport persons, and we don't want to take away from that at all, and we know that there are a lot of elderly and handicapped individuals in those urban centers that also need transportation.

Under the current funding pattern, even those individuals in those particular client groups are not receiving a fair shake on the Federal dollar because the urban transit systems, a lot of them, are simply not providing the level of service for elderly handicapped in urban settings that need to be provided.

What we would recommend is that some method be established of determining the distribution of Federal funds based on the population and specific target population; if that's what needs to be done, that's fine, based on the actual need that exists; and if you call it transportation disadvantaged, that's a term we'll stay with, but on a more equitable basis certainly.

When you've got almost 50 percent of the population and you really have less than or right at 3 percent of the funding coming from just UMTA, for instance, there's an inequity there that really needs to be addressed. We don't have all the answers how to best address that; we just know that a problem exists with it.

Ms. SNOWE. Thank you very much.

Mr. ISAACS. Thank you, Ms. Snowe.

Mr. BIAGGI. Mr. Wise.

Mr. WISE. Thank you, Mr. Chairman.

Ms. Byman or perhaps Mr. Isaacs, you mentioned the increase in insurance also.

Ms. BYMAN. Yes.

Mr. WISE. Our regional transit authority was in yesterday. Incidentally, the description of your district resembles Ms. Snowe's; you could be writing the same thing about the 3rd District of West Virginia—we even have mining; I think you mine iron; we mine coal—but with all the same statistics.

But they were saying that their insurance premium had gone from $120,000 to $360,000—I'm sorry, $460,000; it was a $340,000 jump in 1 year. I just wonder if your experience was the same.

Ms. BYMAN. In Minnesota, that is definitely the experience. I believe the average right now is about 700-percent increase in insurance in this last year.

I can give you an excellent example. Duluth has 110 buses, and for $1 million coverage a year ago they were paying $165,000. The only company they could get that would write it for $1 million

wanted a $800,000 premium. Basically, Duluth gave them a "No" answer on that. They do have an option that most rural systems do not, and that is that they basically went self-insurance. Your small systems don't have that as an option. But it is increasing. It's going to basically close out a lot of systems, just eliminate them.

Mr. WISE. In the case of our transit authority, that was the increase last year, and they think they are looking at something similar but maybe not quite as steep this year. Have you gotten any indication of what your increase would be?

Ms. BYMAN. My insurance comes due the first of August. I can tell you that my excess insurance, which was due February 15, which was for $5 million, I could not even get anyone to write at any cost.

What we are projecting in the Minnesota Public Transit Association is that those increases will probably be the same for the next 2 or 3 years.

Mr. WISE. I see.

Incidentally, one of our municipalities was facing the same kind of thing and finally found a company to write their insurance; it's in Turkey. There may be a little trouble collecting on claims; I'm not sure.

Are you getting any relief as diesel fuel drops in price?

Ms. BYMAN. Sir, we don't run diesel.

Mr. WISE. What are you running?

Ms. BYMAN. We run gasoline.

Mr. WISE. I see.

Ms. BYMAN. It's very difficult to operate diesel engines when it gets to 96 below and you're not in a garage. We have stuck with gasoline. We have gotten very good mileage out of our gasoline engines—300,000 or 400,000. We have a very good maintenance system.

Mr. WISE. I see.

Ms. BYMAN. We have dedicated drivers, too.

Mr. WISE. Just as a closing remark, the chairman remarked this would not be a happy hearing, and I think he's correct. The one thing about Gramm-Rudman, whether someone is for or against it, is that it's going to force the setting of priorities, and that's why I think this kind of hearing is essential in not only this committee but other committees, because that's what's going to go on around here for the next 6 months, is clearly where the priorities are going to come down. So I hope you keep telling that story.

Thank you.

Mr. BIAGGI. We have been joined by the gentleman from New York, Mr. Wortley.

Mr. Wortley.

Mr. WORTLEY. Since I was late arriving, Mr. Chairman, I will defer to the next panel, in which I have a constituent.

Mr. BIAGGI. All right.

Just an illustration on insurance in the State of New York, the city specifically. We had a tramway that had $400,000 insurance; then it was raised to $8 million. Of course it came to a halt. In that case, the New York State legislature came to the rescue, and it has resumed operation. It may well be an example of what is neces-

sary, because clearly the operations cannot sustain that kind of meteoric and geometric rise.

Well, I said it wouldn't be happy. I haven't disappointed you. But I think the only attitude and policy we can take is, let's try to maximize what we have and consolidate our forces and get the most out of what's available. I'd be delirious if we maintained the present level, but who's to say?

Mr. ISAACS. We'll wait for blue skies with you, sir.

Mr. BIAGGI. Mr. Isaacs, thank you; Ms. Byman, thank you.

Mr. ISAACS. Thank you, Mr. Chairman.

Ms. BYMAN. Thank you.

Mr. BIAGGI. Mr. Wortley.

Mr. WORTLEY. Thank you, Mr. Chairman.

I'm very pleased to welcome a good friend and a constituent of mine, Margaret Williams, here today. Mrs. Williams is a tireless worker and an advocate for older Americans not only in my congressional district but in our State and this entire Nation. She can speak with great authority on virtually all concerns that our senior citizens have, particularly in our geographic area where we have extremely severe winters. In fact, the only day we're really sure that the sun will shine is on July 4. But we don't have much public transportation. We have even fewer taxis. So transportation for our seniors is a very critical problem, and I'm sure Mrs. Williams can address that problem with great authority today.

We welcome you, Peg, to our committee hearing.

Ms. WILLIAMS. Thank you.

Mr. WORTLEY. Thank you, Mr. Chairman.

Mr. BIAGGI. Ms. Williams, as well as Congressman Wortley's constituent, she's an old and dear friend of this committee. She has testified any number of times and served with great distinction as the president of the New York State Association of Area Agencies on Aging.

We welcome you again.

Ms. WILLIAMS. Thank you very much. I'm delighted to be here.

Mr. BIAGGI. Ms. Snowe.

Ms. SNOWE. Thank you, Mr. Chairman.

I once again want to welcome Connie Garber, who is the director of the York County Community Action Corporation and the director of one of the transportation programs in the State of Maine.

Connie, I appreciate the fact that, even with the financial difficulties and constraints that all of you in the community are facing, that in spite of that, you were able to be here today. So we especially appreciate your presence.

I've had a chance to review your testimony. I think it's outstanding, and I know that you'll provide excellent input into the problems that rural transportation providers are experiencing.

So thank you again for making the extra effort to come under some difficult circumstances.

Ms. GARBER. Thank you.

Mr. BIAGGI. Mr. Johanson, we don't have anyone from Washington, but I will welcome you as the only male on that panel.

Mr. JOHANSON. I'm willing to serve.

Mr. BIAGGI. Ms. Williams.

PANEL TWO: CONSISTING OF PEGGY WILLIAMS, DIRECTOR, MADISON COUNTY OFFICE FOR THE AGING, MORRISVILLE, NY; CONSTANCE GARBER, TRANSPORTATION DIRECTOR, YORK COUNTY COMMUNITY ACTION COMMISSION, SANFORD, ME; AND KARL JOHANSON, EXECUTIVE DIRECTOR, WHITMAN COUNCIL ON AGING, COLFAX, WA

STATEMENT OF PEGGY WILLIAMS

Ms. WILLIAMS. Thank you.

What I would like to talk about a little today, because it's like, as somebody said earlier, the preacher talking to a lot of other preachers. I think everybody here is very concerned about appropriate, accessible, affordable transportation, especially for elderly, handicapped, and those that are transportation disadvantaged. But I think one of the things that Congress has to do is to consider two public policy issues before anything else can be done. First of all, we have to decide whether or not transportation is a public good. Do people have a right to a certain level of mobility, and is that right extended to rural people in the same manner that it is to urban people? So I think first we have to decide is transportation a public good.

Then the second issue that Congress needs to look at—and this has more to do with regulations and statutory requirements than transportation—is who is the public. Are the elderly and are handicapped the public? because very often they are separately defined; they are not included in funding for public transportation. So, to begin with, if you keep those kinds of things in mind as we talk today, I think that when we come to making some recommendations you will see that those things really have to be decided if all the rest, all the consolidation, and all the coordination, all the matching of funds, is to work. We have to decide, is it a public good?

New York State received a Federal grant several years ago. It was for a rural aging services project. It was funded for 3 years, and the thrust of the grant was to discover, identify, and offer solutions to the major barriers to all services in rural areas. The No. 1 barrier that was identified to all services, not just for the elderly but all age groups in rural areas, was the lack of transportation. So it doesn't make any difference, whatever else you have in place, if people cannot get there, they will not receive services that they need.

What does transportation mean to older people? How many of you own a car? How many people here own a car?

[Show of hands.]

How many people get into their car, drive to the bank, drive to the grocery store, go to visit friends, go to the doctors, take care of your everyday, ordinary living needs? Many older people don't have cars because they can't afford them. They can't afford to operate them. They can't afford to maintain them. A lot of older people can no longer drive because of physical disabilities. This can happen to you no matter what your education, what your income level is, what your status in the community is. If you are unable to drive because of physical reasons, you have to be able to access

some kind of transportation. If there is no transportation for you to access, you will become isolated.

I like to tell this little scenario just because we're all talking about cost containment, and I think by expending funds in one area you can actually save a lot of money in another area. We'll talk about Mr. Smith. He lives in the country; he's a widower; he's all by himself; his closest neighbor is maybe a half a mile away; he's getting older; and he has no transportation. He stays at home, and because he is alone, he really begins to get depressed. You know, we are social creatures. Our culture is based on socialization. He has no contact with people, and because of that he does get depressed, and when you get depressed you don't eat right. Eating is another social activity that we have in this country. And because he doesn't eat properly, he becomes malnourished; and because he becomes malnourished, he will probably have an electrolyte imbalance and become dizzy some day and fall; and he's apt to break his hip because he's also malnourished. At that point, Mr. Smith is taken to a hospital. I don't know how many people have been in a hospital and been ill while they're there, but hospitals are very confusing places, and that has nothing to do with age. All your normal barriers, your signposts, aren't there. There are no calendars; people come in and out all times of day and night.

So Mr. Smith is in the hospital with a broken hip, and he ends up being quite confused, and the medical diagnosis is that this man really is too confused to be living alone. So the only option is to place him in a nursing home. Now I don't know about the rest of the country, but nursing home costs in rural upstate New York are $30,000 a year. At that point, most people are eligible for Medicaid within 6 months, now matter how much their resources are.

So if you want to talk about cost containment, wouldn't it have been better—you know, he was in a nursing home because he was confused; he was confused because he was ill in a hospital; he was ill in a hospital because he hadn't eaten properly; and he hadn't eaten properly probably because he was isolated and had no way to get his food. Wouldn't it be better to intervene earlier in that scenario by offering transportation, by spending money at an earlier level and trying to intervene in that cycle? We're seeing more and more of that.

How can we keep people participating in society? I would say that transportation is one of the main elements that we have to afford to do. I know we've been talking about, "We can't afford; the golden days are over," but I think we have to choose what we are going to afford to do, and somehow back up. As one gentleman said, Gramm-Rudman has made us look at things better. We really have to back up and say, "OK. How does the whole system go together, and what can we really do if we're concerned about money and if we're concerned about quality of life issues?"

I have some recommendations, and I know this one will be quite interesting to a lot of people. I'm a director of an area agency on aging, and I feel very strongly that Older Americans Act III(b) money should not be spent on transportation. We have increasing needs, we have an increasing population, and we have decreasing funding. I believe transportation should be paid for through transit funds, that we don't have the adequate dollars and that we never

should have gotten into that business, and the reason we did was because rural areas' elderly populations were not able to access public transit dollars. There's a tremendous bias in the transit authority to the accessing by rural areas of those dollars. So I feel very strongly that title III(b) money should not be used, that we should have the ability to access public dollars that are transportation dollars and use the title III money to be sure that other services are in place.

The second recommendation I would make would be that regulatory and statutory changes be made in Federal laws that would allow rural paratransit and special transit systems to more easily access public dollars. We cannot get to the public transit level in our county because we don't have the money to do it. So therefore we can't access the public transportation dollars. It's kind of a crazy cycle. Because we're not public, we can't access those dollars, but we have no dollars to get to be public. So something has to be done statutorily and regulatorily to see that rural areas have the ability to access those dollars.

The other item in that is that it costs more money to transport less people, and therefore when you are looking at numbers—how many people can you transport for so many dollars?—rural areas cannot do it. We can't compete with urban areas. We cannot go fixed route; we don't have the population; and if you want to do demand response, it costs you more money, and transit planners tend to feel that they want everything laid out and they don't like it when you do a 180-degree turn the next day, that you want to go to a different place, "And you mean you're going 150 miles to transport one person to the VA hospital, and you're going to have the driver sit there for 8 hours?" Moneywise, we cannot compete with urban areas if you're going by unit costs. So somewhere that has to be looked at.

The other thing that we all need—and I know this may be pie in the sky, but I don't think many people can operate a budget unless they know what their income is going to be, so that they can make adjustments. We need a stable, multiyear, prospective, operational funding budget. There are a lot of words in there, but they all mean something very specific. A lot of transit systems operate on a deficit budget; that's how they're funded. To me, working under the Older Americans Act, that is something that I can't understand. I cannot do a good job budgeting unless I know this is how much money I have got to work with, so that I can make adjustments in my budget.

The last recommendation, or the next to last, would be that we need to build bridges between section 18 and 16(b)(2) funding so that areas that receive those funds can make determinations on how best to spend that money. Right now they are too rigid, and you may have a higher operational need than an equipment need, but you cannot use those monies to meet your local needs.

The last one is that the Federal Government needs to offer incentives to stay in local areas, to coordinate by using existing vehicles and by allowing the commingling of funding. There is no way that a bus that I have purchased with Older Americans Act dollars can be used to transport Head Start children. The paperwork is so involved and so difficult.

We have school buses that are paid by public dollars sitting in school yards that, if there were a mechanism to say—incentives by the Federal Government—"You use every vehicle you have got to the fullest, and we'll help you do that; we'll take away all of the Federal requirements; we'll eliminate the barriers"—we don't need equipment; we've got them; they're sitting out there; we just can't use them.

Lastly, I really would like to say the main issue, I think, that Congress has to deal with, as I said in the beginning is whether or not transportation is a public good, and if it is, then we have got to be sure that the elderly and the handicapped are part of that public.

Thank you.

[The prepared statement of Ms. Williams follows:]

Prepared statement of Margaret Williams, Director, Madison County Office for the Aging, Morrisville, NY

Good afternoon. Thank you for this opportunity to speak to you. My name is Margaret Williams, and I am the Director of the Madison County Office for the Aging. Madison County is a rural county in upstate New York with a total population of 65,000 people with 10,000 over the age of 60. Our county is 660 square miles with heavy winter weather that effects travel from November to April each year.

Transportation is a vital service that is needed by a large portion of the elderly especially those who are no longer able to drive due to age, chronic diseases such as arthritis, Parkinson's disease, loss of vision or hearing, or whose income is not adequate to meet the costs of auto insurance, maintenance, operation or vehicle replacement.

New York State conducted a 3 year Federally funded project called RASP - Rural Aging Services Project. This project identified the barriers to services encountered by rural elderly. The most significant barrier to all services for rual elderly is the lack of adequate transportation.

11% of the households in upstate New York (largely rural areas) do not own an automobile - I would estimate that a large percentage of those households are those of older people. 90% of all trips in upstate New York are made by car - there is limited or no public transportation including taxi's in this area. What does transportation mean to an older person?

1) He/she can go to the grocery store for food, shop for clothing - we'd all admit that food and clothing are necessities not luxuries.
2) He/she can get to the doctors for regular preventive and maintenance medical care - and not have to rely on ambulance services/emergency wards for crisis oriented medical care.
3) He/she can participate in "needed" social programs, such as Title III Nutrition Programs, Adult Day Services, and senior centers.
4) He/she can take care of business, be independent i.e. banking, taxes, clearing up problems - all those every day things that all of us do - by climbing in our cars in rural areas.
5) He/she can reduce his/her isolation and ultimate exclusion from society if he/she has the means to leave his/her home for an hour or two - or three.
6) He/she can continue to contribute his/her skills to our society through volunteerism in human service agency programs, schools, nursing homes, hospitals, etc.

It is vital that in viewing the needs of the elderly, that each of us realizes the significant and central part that available, appropriate transprortation plays in meeting these varied needs. Especially in rural areas where resources and public services are limited.

Lack of transporation for an older person often leads to isolation causing depression that causes mal-nutrition, that causes illness requiring hospitalization, which can cause confusion and eventually lead to nursing home placement.

Wouldn't it be more cost effective and humane to intervene in that progression by preventing the isolation. This could be largely accomplished through adequate transportation systems.

Older American's Act Title IIIB funds are being reduced while needs and demands for services are being rapidly increased due to tremendous growth in the old old. The existing Title III cannot and should not be depended upon as a major source of transportation operational funds. Instead, transportation services should be paid for out of transportation funds - this has not happened in rural areas due to the inability of rural areas to access these public dollars.

Increased Section 18 and UMTA 16(b)(2) programs are essential to the provision of transportation services for the elderly.

The lack of dependable operational funds is a major problem faced by rural transportation services. Human Service Agencies (usually the only transportation providers in rural areas - or at least the major ones) use the UMTA 16(b)(2) program to buy capitol equipment but they have a very difficult time operating these vehicles due to the lack of stable operating funds. Section 18 has and could alleviate this problem to some extent if certain bridges were built between the two programs or if they were block granted to planning service areas. This type of program would mandate coordination and provide funding needed for systems designed to serve the transportation disadvantaged (i.e. elderly, poor, handicapped, young and unemployed).

The issue of whether or not transportation is a "public good" for rural elderly as well as urban elderly must be addressed. If we agree that a certain level of mobility is a "public good" for all, then we must find a way to ensure adequate, accessible, affordable transportation to all transportation disadvantaged people including the elderly. Thank you.

Mr. BIAGGI. Ms. Garber.

STATEMENT OF CONSTANCE GARBER

Ms. GARBER. Congressman Biaggi, Congresswoman Snowe, members of the subcommittee, my name is Connie Garber. I'm transportation director for the York County Community Action, as I have been introduced by Congresswoman Snowe.

I come before you today with a bachelor's degree in political science, a master's degree in transportation planning, and a large degree of concern about the people that we are out there to serve. I'm talking, from my perspective, about the rural people who are in dire need of specialized transportation in York County and throughout the country. Specifically, I'm referring to the cumulative effect, one that I believe is somewhat unintended, of the Federal policy and funding changes whose net effect is to decrease and possibly eliminate the vital transportation services to those people who need them the most, the elderly, the handicapped, and the low-income citizens. As has been previously described by Congresswoman Snowe, Maine has, through legislative action, established regional transportation providers throughout the State. I am one of them. Back in 1979, the law that was passed by our legislature mandated the coordination of funds, mandated the development and maintenance of a permanent and effective public transportation system with particular regard for the elderly, the handicapped, and the low-income people.

York County in the last 10 years has seen a 25-percent increase in population, 41-percent increase in elderly citizens, and 6-percent increase in the low-income population as well. Right now, my budget is $429,000; 58 percent of that is Federal funds, and it comes from a variety of sources. Earlier, Randy Isaacs referred to providers who received multiple funding sources. I receive 19 different funding sources. Part of that is as a result of our efforts to move away from a dependence on Federal dollars and to grow, look at the market that we have to serve, and try and receive the greatest amount of funding we can to serve the largest number of people. If you can set up a consolidated system, without any doubt, you serve more people. There are economies of scale through system efficiency that you can achieve to meet the needs of the people.

The problem that I have already faced and am not looking forward to in terms of future cuts is a shortage of funds in one area that is followed by a shortage of funds in another area, and another area, and another area. This is a repeating theme, I'm sure you will hear. We have already had to cut one of our runs. It was a run which served what we call our North County towns. These are towns that may have a population of a couple of hundred people total. They have no taxi service; there are no buslines; the nearest medical service is in Portland, ME, which is a long bus ride. Many of the elderly who do own cars will not drive them in the wintertime. They are afraid of the road conditions, and, having been on them myself, I would be afraid as well.

The situation on that particular run is that the driver now only goes out 4 days a week. We've cut his hours. He's not earning a tremendous amount. My average driver earns less than $9,000 a

year. We're not talking about a highcost, unionized service here. This is a skin-and-bones operation for many of us.

The biggest problem that I face as an administrator of a county-wide program is to balance the reduced funds with the increased, mandated prioritizing of clients that my funding sources have. I recognize that when my regional southern Maine senior citizens see a reduction in service, they have to decide who most need the service. They have to prioritize their clients. It's the same for our State Department of Human Services, the same for the day care services we provide, the same for the retarded that we transport to sheltered workshops. Everybody has to target those most in need. But the net effect of their focusing in on smaller and smaller population groups and mandating that their funds be used only to serve those people is that there are a tremendous number of people who no longer have a dedicated funding source. These are people who have relied on our service in the past and have no other means.

I think about a phone call that we got last week from a gentleman; his name is Ray. He lives in a community not far from the town of Sanford where he can cash his checks, get his doctor's attention, and so forth. He calls in, and he calls in for a very nice lady down the road from him, Amy. She has no phone; she has no way of getting to a phone. If she's ill, he finds out about it and calls us. If we can't provide them with the 1 day a week of service that we are currently providing, there is no other way that they are going to be able to get anywhere, and they are not unique.

We have heard more times than I'd care to imagine phone calls in from elderly people who have heard—when they hear the evening news, they may hear about a neighboring county; they may hear about the Federal budget; and they think they hear that they are losing transportation services. We get frantic calls: "What am I going to do if I can't get on the bus?" They are the kind of stories that I think are really necessary for us to remind ourselves of who the final beneficiaries are and what it is that we are trying to accomplish.

Some of our very precious dollars are being spent in ways that I think could be changed and improved. Previously referred to, the data collection and reporting requirements: Right now, in the State of Maine, we are negotiating—I'll use that term in a very loose sense—with the Bureau of Medical Services regarding Medicaid reporting requirements. They have certain standard requirements that they mandate in order to receive Federal match monies for those Medicaid services, and yet the amount of money that the providers are spending to accomplish that level of detail on reporting—and what I'm referring to is, for every single trip that we provide for a Medicaid client, we have to know, in addition to their name, address, phone number, Social Security number, Medicaid number, age, sex, and race—we need to know what doctor they are seeing, what type of a doctor that is, what the cost of the service is, how many units, whether it's on a volunteer vehicle or on an agency vehicle, if it's a bus ticket, or what-have-you. For every single trip, that has to be billed line by line.

The precious dollars for Medicaid services that we may see as a result of the State receiving reimbursement on a medical basis

level rather than administrative are being eaten up by data processing costs.

Right now, the Maine Human Services Council is conducting a survey, and I'm hopeful that the results will be in before the period that testimony is closed for this hearing, and I will certainly forward those results to you. They are surveying over 200 different providers in the State of Maine, local service providers, to see what the net effect is of various funding cuts once they have trickled down to that local service level of provision.

I know already, in a somewhat terrible sense, that a very nice pamphlet that I received just the other day from Hazel Dell, a retirement community in Alfred, ME, their lovely pamphlet talking about "a community located just 4½ miles from Sanford, quiet atmosphere, one of Maine's most beautiful villages," and underneath the listing of features, it talks about public transportation which is available. They're talking about my service. We serve them currently 1 day a week, and I'm not sure that that will be able to continue.

This is the kind of reality that I am really personally upset to look at, and I would end my testimony by inviting any of the members of the committee—all of the members of the committee to take a look, ride our vans, talk to people, see what we see.

[The prepared statement of Ms. Garber follows:]

PREPARED STATEMENT OF CONSTANCE GARBER, TRANSPORTATION DIRECTOR, YORK COUNTY COMMUNITY ACTION CORP., SANFORD, ME.

Congressman Biaggi, Congresswoman Snowe, members of the Committee, my name is Connie Garber and I am Transportation Director for York County Community Action Corporation. We are one of nine designated regional rural transportation providers in Maine that cover the entire state, and provide transportation services for the elderly, handicapped, low income and general public.

I would like to provide you with a brief historical perspective on how transportation is provided in the State of Maine, followed by information on the region York County Community Action Corporation (YCCAC) serves, and a system profile for our Transportation Program. The major areas that I will then address will be the impact of the current and projected federal funding cuts on our system, followed by several recommendations on what actions I would encourage the Committee to consider.

HISTORICAL PERSPECTIVE - MAINE - In 1979 the Maine Legislature passed a bill entitled "An Act Coordinating Regional and Intercity Public Transportation Programs". This law directed the Maine Department of Transportation to divide the State into geographic regions for regional distribution of state administered transportation funds. Further, an annual regional operations plan submitted by each regional transportation agency provides for:

"A. Maximum feasible coordination of funds among all state agencies that sponsor transportation in the district;

B. Development and maintenance of a permanent and effective public transportation system, with particular regard to low income, elderly and handicapped residents;

C. Participation of private transit operators in the service, to the greatest extent possible; and

D. Conformity with general operations requirements as may be prescribed by the commissioner."

State assistance, "within the limits of available funding", was also included in the Act, to provide planning and technical assistance, capital assistance (for up to 1/2 the nonfederal share

required by federal assistance programs), and operating assistance (in the amount of 10% of the operating deficit incurred in fulfillment of the annual regional operations plan). In 1982, the amount of State operating assistance allowed was increased by the Legislature to an amount up to 1/2 of the operating deficit. In actuality, the State of Maine has not had sufficient funding allocated for the regional transportation providers to provide even 10% match for rural services.

The regional transportation providers in Maine have evolved from several different organizational frameworks: some had their origins in elderly services (such as Councils on Aging), some evolved from United Way programs, and several including YCCAC, were developed as part of the Community Action program for the region. In addition to differing origins, the providers currently operate as either single purpose agencies, or as part of an umbrella agency. Funding for regional transportation providers varies as well: some rely totally on human service funds from the federal and state levels, along with local match monies, while others, such as YCCAC, receive a broad range of funds from federal, state and local sources, including those for elderly, handicapped, low income and general public. YCCAC has nineteen (19) different funding sources shown in our FY86 operating budget for transportation including:

Federal -

- Social Service Block Grant
- Medicaid
- Title III - Older Americans Act
- Section 18 - U.M.T.A. -(non-urbanized public transportation)
- Section 9 - U.M.T.A. - (urban public transportation)

State/County -

- Bureau of Social Services - match funds
- Southern Maine Senior Citizens - match funds
- Bureau of Mental Retardation

State/County (cont'd)

- Department of Transportation - match funds
- York County Commissioners
- Town of Sanford

Private -

United Way

Local Sheltered Workshops for handicapped

York County Counseling

Head Start

Program Income -

Advertising

Fares/Donationa

Regional transportation operators in Maine have sought to increase their non-federal funding over the last several years, as federal funds have either remained fixed or have been cut, and have broadened the services provided to attract fare-paying general pubic, work-trip commuters as well as the high priority elderly, handicapped and low-income residents of Maine.

YORK COUNTY - YCCAC TRANSPORTATION Located in the southern most corner of Maine, York County covers 1,000 square miles, bordering New Hampshire on the west, with the Atlantic Ocean forming the eastern boundary. There are 29 towns in York County, with a population range from the smallest town of Newfield, with 653 people, to the largest city of Biddeford, with 19,624 people, according to the 1980 Census. Overall, York County experienced a 25% increase in population from 1970 to 1980. During that same period, the elderly population in the county increased 41%, and the number of persons living at or near poverty levels increased 6.3%.

YCCAC provided in excess of 1.1 million passenger miles of service in the last fiscal year, over 35,000 trips serving the following groups and trips needs:

1. elderly (shopping, congregate meal sites)
2. handicapped - mentally retarded (sheltered workshops)
   physically handicapped (variety of services)
   mentally ill (counseling)
3. abused/neglected children (day care, counseling)
4. Medicaid clients (medical appointments)
5. low income persons (variety of services)
6. other contracted services (Head Start, etc.)
7. general public (variety of services)

YCCAC is the only transportation provider in 23 of the 29 towns in York County; six of the larger towns, particularly small local transit service. For residents of the 23 other towns without access to a car,

YCCAC is the only means of getting to doctor's appointments, shopping for groceries getting to an elderly congregate meal site, or a variety of other daily needs most of us take for granted.

The primary goals served by YCCAC's Transportation Program are to promote self-sufficiency of individuals and prevent institutionalization. The people that rely on our vans and buses are being aided in creating or prolonging a more productive and independent life for themselves and their families.

All of this is done with a current fiscal year operating budget of approximately $429,000, of which 58% is funded from the federal level, with another 23% funded by the state. Capital funding is also programmed to replace two of our vans which have very high mileage with two small buses, thus increasing the carrying capacity of the fleet while maintaining operating expenses. YCCAC has a total of 8 vans (15 passengers) and 8 small buses (21 passengers), with four of the vans and three of the buses equipped with wheelchair lifts. The two new buses programmed will both have lifts. The office staff consists of a Program Director, myself, a Coordinator/Dispatcher, a full-time data processing person, a part-time volunteer driver coordinator, and two part-time Green Thumb clerical workers. These staff people handle dispatching twelve vehicles every day, 52 weeks of the year, coordinating all volunteer drivers, all data collection and reporting for each funding source, all while working to answer phone calls and answer the many questions that arise for any rural transportation provider. The average salary for these workers is low, with the agency's total administrative cost amounting to less than 4% of our total funding. The majority of people we serve are moderate to low income, many of them receive other income supplements from other federal programs, including S.S.I. Vocational Rehabilitation, Medicaid, and A.F.D.C..

If a guideline for A.F.D.C. changes and a family loses their eligibility for Medicaid, they also lose the Medicaid covered transportation that allows them to get to the doctor. Transportation is inextricably related to the ability of many rural people to access the other health and life sustaining services they require. Cutbacks in funding in any area have a compounded effect on the individuals relying on them.

IMPACT OF FEDERAL POLICY CHANGES AND CUTS

Before the Gramm/Redman/Hollings deficit reduction plan was enacted, YCCAC had already experienced funding cuts as a result of lack of sufficient funds for rural public transportation (UMTA Section 18).

We have reduced one of our routes from five days a week to four in order to reduce gasoline costs and driver's salary. The driver, who was making $8,900 annual gross wages, now has to support his family on under $7,800. Two other routes are scheduled for similar cuts within the next few months. To date, we have been able to shift routes and schedules around so that none of our current riders have been denied service, but they have fewer hours available to make the trips they rely on our buses for. They are for the most part, what is termed "captive riders" and have no other means. We already have a lean service in terms of our capacity to meet all the estimated needs of York County residents. We must turn down transportation requests at this time due to insufficient funds, although other requests can be re-scheduled to fit into our daily routes.

Operating assistance has been crucial to our ability to maintian a regional transportation service. The most recent statistics show that YCCAC receives only a 66¢/per passenger subsidy from UMTA, Section 18, and those funds are being cut while demand for service is increasing. The intent of the current Administration is to eliminate operating subsidies, while maintaining lower levels of capital assistance. At this time, UMTA Section 18 rural funds are allocated only 2.93% of the amount allocated for urban funds (Section 9). The inequitable formula for distribution of UMTA funds is further aggravated by the current proposals to 1) use only the 1¢/gallon federal gasoline tax to fund all transit subsidies, and 2) to establish an "Urban Mobility Block Grant" which would combine all highway and transit funds in a block grant to the states, and allow each state to distribute the funds as they see fit. The block grant concept itself has merit, but rural areas would be unreasonably penalized in this formula, forcing many to absorb major cuts or go out of business.

Congressman Biaggi's resolution, C.R. 271, is supported in its statement of opposition to the Urban Mobility Block Grant, as well as efforts to allow a percentage of UMTA Section 16(b) 2 capital funds (for elderly and handicapped) to be used for operating assistance. It may be true that in large, urban transit systems, a large part of the cost of operations is locally controlled through negotiations with unions on salaries, fringe benefits and wage increases, but in rural areas that is not the case. Rural providers are faced with increases in liability insurance, vehicle repair costs, mandated fringe benefits

(such as Worker's Compensation), and the need to do increasing amounts of data processing (to handle all the specific requests for information from various funding sources, most particularly Medicaid). This fiscal year, YCCAC'c Board of Directors has set the agency's cust of living increase at 4% for all employees who are performing satisfactorily when their annual evaluations are done. Rural providers are continually forced to economize in order to balance their budgets, yet they are often forgotten in the analysis of where the federal subsidy dollars go. Congress is currently being asked to consider an allocation for foreign aid that equals the entire annual allocation for rural public transportation.

RECOMMENDATIONS - There is no lack of understanding on the part of rural and specialized transportation providers that the federal deficit needs reduction. However, federal public transit programs represent less than one-half of one percent of the federal budget, but will receive a disproportionate share of the funding cutbacks. This is particularly true in the rural and specialized transportation area, since these providers stand to lose not only UMTA funds, but also Revenue Sharing funds (received through local towns' support), Older Americans Act funds, Social Service Block Grants, Head Start funds, as well as other monies not ordinarily thought to impact transportation such as Community Development Block Grants, Community Service Block Grants, Economic Development Administration funds and Job Corps funds.

The Maine Human Services Council has undertaken a major survey effort within the State of Maine to poll providers of human services (exclusive of direct health care, such as hospitals) as to the impact of federal cuts in all areas. The survey is being sent to over 200 professionals and agencies, including the following:

- Regional Transportation Providers
- Community Action Agencies
- Mental Health Agencies
- Day Care Centers (receiving public funds)
- Child Abuse and Neglect Councils
- Halfway Homes for mentally ill, retarded and handicapped
- Head Start Programs
- County Health Services

Surveys are due back at the Maine Human Services Council by March 14 so the information can be compiled in preparation for

a statewide hearing to be scheduled for the end of March or the beginning of April. This survey should help to provide a clear picture of the cumulative effect of federal, state and local funding cuts after they have "trickled down" to the level of the local service providers. In most rural areas, the loss of any substantial amount of money means service cuts to programs lacking the financial means to address current demand for service.

If one accepts the fact that adequate, safe and affordable transportation is essential to the economic health and vitality of all communities, and is a key to maintaining independent and productive lives for all Americans, then it is clearly in the national interest to support this essential part of the infrastructure.

Following is a list of specific recommendations, many of which mirror areas addressed by NASTA, the National Association for Transportation Alternatives (an organization representing rural, small urban and specialized transit systems) in their 1986 Policy Statement.

1. Increase the percentage of funds allocated to rural areas in the formula contained in the Urban Mass Transportation Act, due to expire this year. This percentage, currently set at 2.93% of the urban funding levels, does not reflect population distribution, income levels or <u>need</u> for transportation.

2. Guarantee, through legislation, operating funds for existing rural and specialized transportation <u>and</u> for new services needed in these areas. Legislation should specifically set aside monies for a <u>Consolidated Rural and Small Urban Transit Assistance Program</u>. This type of structure could combine the currently fragmented and inflexible programs now available for these services. Included in this would be a requirement for the decision-making on the distribution of funds to capital <u>or</u> operating needs to occur at the local level based on the needs of the region.

3. Provide a dedicated funding source for transit, to ensure a stable, effective and efficient network of rural and specialized transportation providers throughout the country. The Mass Transit Account of the Highway Trust

Fund could be expanded, and a set amount could be earmarked for small urban and rural areas. Additionally, every effort should be made to see that authorized funds are later appropriated.

4. "Privatization" (recent initiatives designed to increase private sector involvement in federally supported transportation services) needs to recognize the basic differences between large urban and small urban/rural systems. Current directives ignore the realities of small systems that use volunteers and other low cost means of providing quality service. Efforts for these systems to increase private sector participation just to increase that involvement should not be tolerated; federal incentives should encourage quality, cost-effective service, with the appropriate public/private mix determined at a local level.

In conclusion, I would like to sincerely thank the Committee for the opportunity to present information on the current state of rural and specialized transportation. The concerns raised and suggestions offered in this testimony reflect the views of one individual who has a personal commitment to the people who benefit from the transportation services that we offer. The isolated elderly who live in Limerick or Alfred or even Kennebunkport, Maine (summer home of the Vice President) have no other way to get to the doctor, or go grocery shopping, or get to a congregate meal site. I ask you to imagine what it feels like to answer a phone call from a 79 or 86 year old person who has heard that they may be losing their transportation services. "I don't know what I would do without the bus." We hear it all the time.

And the elderly are not unique. The parents of mentally retarded children or adults that we transport daily say the same thing. And the low income people needing a way to get to medical care. And the working parents of children that we take to day care. And all the others who have no car, cannot afford a taxi (if there is one in their area), and want to be self-sufficient and productive members of our society.

Transportation is never taken for granted by these people. But it is often overlooked by those distant from the day-to-day realities of what life is like when you're elderly or poor or handicapped, and live in a rural area of our country.

It is my sincere hope that the hearings conducted by this Committee can lead to greater understanding of the plight of these people, and the urgent need to establish a long-term solution to meet their transportation needs.

Thank you.

Mr. BIAGGI. We would be happy to visit, providing you provide the transportation expenses. Because that is what has happened to us. Our travel budget has been cut down; in some areas it has been cut out entirely; it other areas it has been cut to a bare-bones minimum.

No; we can't do it that way any more. You might be able to get away with it, but if I tried it, they wouldn't stop. That's the nature of things on the road.

Mr. Johanson.

STATEMENT OF KARL JOHANSON

Mr. JOHANSON. Mr. Chairman and members, I thank you for the opportunity to be here and thank you for picking up representation there briefly for me, to introduce me, Mr. Chairman.

I come to you from the opposite corner of the United States, Washington State. I run a multiservice social service agency that focuses on the elderly, but only one of the programs that we do now, 3 years after I took over the program, is exclusively for elderly, so I've started calling myself the Council on Aging and Social Services.

I have degrees in P.E. and outdoor recreation and worked 20 years with delinquent kids, transporting them all over the United States, and took over this agency 3 years ago. Immediately I could see that there were problems in the transportation area.

I'm going to try to piece together a few remarks that address some of the questions that have already been asked of me. We're in a rolling, rural area, the Palouse Hill country on the border between Washington and Idaho. We have bitter winters and real hot summers; it's a very, very rural situation—23,000 people spread out over about 2,300 square miles. I only operate in one county as far as people that I pick up in this portion of the system that I'm going to talk about today.

Just a few statistics. Last year we served 91 percent of the people in Whitman County who rode on our vehicles that are over age 75. I'll give you another example of what goes on in our area. I climbed on an airporter service after I drove my car to Pullman,

WA, and went on the airporter. Through a series of public transportation facilities and so on, 8 hours later I was at the hotel in Washington, DC.

In contrast, that very same day on what we call our East County run, our vehicle left Pullman at 6 o'clock in the morning and began picking people up around 7:30 to 8 o'clock, and had a full van 75 or 80 miles later in Endicott. The average age of the 12 people riding on the van was over 75 years old. They went then 120 miles north of Spokane. This was their one trip of the month that they were going out of the community of Endicott. They reversed that procedure. Several of the people were on the van 10 hours, with an average age over 75. Many of them were going to essential services such as going to a store where you could buy fresh produce.

About 6 months ago the tractor company that carried milk occasionally quit being able to stock it, and 2 months later the tractor company also went out of business.

We're talking about people, mainly women, that are trapped in small communities. Many of them don't feel trapped. That's the only community that they've known. Their assets are tied up in houses that are located in rural areas or in small towns

Ten of our cities that we serve have less than 200 population. There's no extended family there. The last 10 auctions that were held in our county, farm auctions, were cancelled because the bids weren't responsive, and if the land was sold at those prices, then it would artificially depreciate the value of the land in the still operating farms and affect the county tax base severely by that depreciation.

We don't have a high unemployment rate. If you're not employed in Whitman County, there's no way for you to live there; you move away. Many of the elderly people that we're serving don't have that opportunity of moving away. Their only real asset is the house that they're living in, and they're on very limited income.

As to the issue of coordination, just last Friday I mailed in a 16(b)(2) application—two Fridays ago. In that application, 23 agencies in our county wrote letters of recommendation. In every one of those agencies I had either paid for rides on their system—i.e. Greyhound; I bought them a ticket on Greyhound—or I'd hauled their people in the past 12-month period. That, coincidentally, approximates the amount of funding sources that go together to support our system.

We do run a consolidated system, but it's only consolidated in terms of application procedures for sections 18 and 16(b)(2). Otherwise, the agencies still operate independent budgets. So we are coordinated through a series of memorandums of agreement.

We are in the process right now of actually coordinating that fiscally so that we operate a system like Connie. Since it hasn't been mandated in our State that we do that, we're in the process of doing it.

I have got my board to the point where they are willing to do it and unanimously support taking on the fiscal, psychological, and emotional responsibility for doing all populations, both public and handicapped and elderly and so on.

Looking at the funding picture, we're very, very reluctant to do that for fear that we'll be left with the responsibility of providing the service at the times when we can't provide the rides any more. When it was under their little agency to run their individual van for their population, the service was there.

It's very easy to remember the old days when we had our own van to control, and so on, and not feel or see the impacts of the cuts that have come down, and then come to the point of taking over that service and having resentment.

When you have to start to prioritize within a multiuser situation, the choices become very difficult. You can't just choose elderly over handicapped or whatever. That's what's happening right now. So we can adjust to that a little bit better in that we are not actually fiscally responsible for all of the rides and so on, but we do coordinate rides for nine different entities that are driving their own vehicles and so on. It's section 18 that keeps that section alive. It's section 18 that allows me to coordinate the system.

In our State last year, we had 2.8 million dollars' worth of requests for section 18. We had $1.1 million available. That was down $400,000. Connie was talking about predictability; so was Peggy. I don't know when I put in my application for section 18 whether I'm going to get the same as last year, nothing, a percentage, and that application process puts me into knowing about that in late November/early December when all of my other grant applications for my Older Americans Act funding and so on have to be in August.

So you talk about prioritizing. You have seven different scenarios going at once for budgeting: This is what we'll prioritize first if we don't get the Older Americans Act contract. I'm talking about balancing these things in a multiservice agency that does many more things than just transportation.

So there's no predictability. It's a competitive situation, and yet we are asked to coordinate and cooperate within our State associations and so on, and help people get to be better grant application writers, and you just may be teaching your competition. Yet you see, if you're at all honest, that your next-door neighbors have no service, because they don't have somebody that's good at writing a grant, putting the system together, and has energy, time, and a committed board to do it, and so on. So it becomes a very difficult situation.

I'll give you one other example, and then I'll close my remarks and try to respond to questions, if there are any.

Connie mentioned the application process for Medicaid funding. We have negotiated in the State of Washington a $5 per one-way trip reimbursement system. For those of you that know about Medicaid funding, there are people that aren't quite poor enough to qualify for Medicaid, and when they're not poor enough that time of the month or that time of the quarter, they're in what's called spend-down.

They exempted spend-down from transportation, so you could get it from a $5 ride even though they were in spend-down, except in the computer, when you're in spend-down you don't have a number to pay against, and that's in the regulations, that you can't have your number; your number is canceled while you're on spend-down.

It takes way more than $5 to do the documentation that Connie's talking about and do it seven times and still have it come back unpaid. Right now, if they don't pay it the first time through, we throw it away and we don't get paid for that trip. It's a service that we provide. There's a cost there, and we can't get reimbursed for it.

I'll give one example of a way—it's a very small one—that I think in one area we could possibly save some money and provide some more rides.

Under Medicare, we have a lot more people going home now because of diagnosis-related groups. We're having people that are needing to go long distances with ambulance-type transportation, but they don't really need an ambulance. But the reason they are going in an ambulance is that the ambulance ride is 80 percent reimbursable under Medicare.

I've had frequent requests over the last year to provide transportation where people were wanting redress from the 20-percent match that they are having to pay personally on the Medicare ambulance ride.

I could do the service for a lot less than the ambulance is doing it for and relieve the volunteer ambulance service of the burden of taking somebody weekly on a 200-mile round trip for chemotherapy treatment that involves maybe a 6-hour day for them, waiting while the treatment goes on. If it was allowable under Medicare for doctor-mandated essential transportation to be billable under Medicare to other than ambulance providers—right now, the regulations say it can only be done by an ambulance.

We have trained drivers; we have equipment on board that's similar. The people there need the transportation, but they do not need to be supine. They do not need to have the required two EMT's on board to take them there and back. That's one area where we might be able to save some money.

Mr. BIAGGI. Thank you.

I have one question for Ms. Williams.

You made a very significant suggestion. I don't know if I agree with it, but it's significant, and it's a departure from the norm. You suggested we take the transportation component from title III(b).

It would be our observation that you run the risk of even fewer dollars from the standpoint of the fact that elderly transportation needs would then be in a position to compete with other needs, as compared to a specific pot of money from the Older Americans Act.

So the Older Americans Act, just from a purely legislative perspective—there's something about the Older Americans Act that has acquired an aura of prestige, integrity, a lofty quality, and people respond to it. We incorporate it in a host of subdivisions. If we took that transportation factor out of III(b) and looked for it in other areas as a single item, I'm not so sure that we'd be successful.

Ms. WILLIAMS. Basically, the reason that I say that is not just to be controversial but to begin to think, what are Older Americans Act dollars supposed to do?

We already have a legitimate funding source for public transportation in this country. The problem is, and why the Older Ameri-

cans Act was even written originally, there was huge discrimination in all Federal programs to the elderly.

My main point is that we have public dollars and that we should be able to access those public dollars for all populations, and there should be some equitability.

I have a one-county area agency, and we have 10,000 elderly in 660 square miles, no or very limited public transportation. I receive $53,004 for III(b). That's for in-home services, access services, legal services, my staff, my rent; my phone bill is $700 a month because we have five phone companies; 3 miles is a long-distance call. Yet I have $53,000 to do that.

If you have large amounts—but I would say the majority of area agencies do not have large amounts of money—maybe you can fund a very sophisticated transportation system.

I look at the III(b) money as being the money that is seed money to start new things, the money that makes other systems work the way they are supposed to work. I would also say III(b) dollars should never be used for health services. We have health funds in this country.

It's a conceptual thing, and I think maybe we need to start things, show the need, identify the need, the population. But then we should access the legitimate public dollars for that service for that agency.

Mr. BIAGGI. I know what you're saying, but I think it's dangerous; I think it's dangerous.

Ms. WILLIAMS. It may be dangerous.

Mr. JOHANSON. I want to add to that remark just a minute, and I know you probably understand what Peggy is describing.

In the city of Spokane, for their title III(b) funding, supplemental van type transportation is 9th or 10th on their priority list, and they spend about $20,000 a year on that transportation.

We spend in little Whitman County that has one-tenth of the population of Spokane County more on supplemental van transportation than Spokane does, and it's our second prioritized service behind our core service of case management which serves 100 percent really high target people. We consider that about 91 percent of the people that we transport in our elderly system are transportation disadvantaged. So we have to put that money there because they're not going to get to anything else unless we do it. We don't have the luxury of being able to have it 9th, or 10th, or 11th on a priority list.

Mr. BIAGGI. You are in a position of establishing priorities. That's the way you have placed transportation in those vans. We do have flexibility.

Ms. Snowe.

Ms. SNOWE. Thank you, Mr. Chairman.

I certainly want to thank all of you for your testimony here this afternoon. I think that, again, you've provided some excellent recommendations for the committee as well as the Congress to consider.

Connie, you mentioned that you have 19 different sources for funding.

Could you give us an idea to what extent your budget varies from year to year. If you have private sources of funding, that figure must change from year to year as well.

Ms. GARBER. The Federal dollars that we receive do not vary too drastically from the human services funding sources. The changes are usually minimal. Actually, for the last several years they have been status quo, which in effect is a reduction because of inflation and because of higher demands for service.

From the Urban Mass Transportation side, they vary widely. I'm referring specifically to operating budgets. Capital budget I set aside for a totally different area, and I would tend to agree that right now the critical area is not capital, that we have at this point maybe not the best vehicles out there but we've got some vehicles and we're getting some replacements. But the operating side is the crucial area.

I receive both nonurbanized operating funds and urbanized operating funds for a very small area of my county that borders on Portsmouth, NH, which was recently designated an urbanized area, although it doesn't look it to anybody.

Those funds vary depending on the allocation at the Federal level, depending on what happens at the State level, depending on whether there are other regions within the State of Maine that have presented information that causes our State Department of Transportation to change the allocation, and also in terms of other providers for rural services that have those operating funds as their only funding source.

On the State level, the match monies have decreased, particularly from the Department of Human Services in our State, again as a result of their prioritizing services and deciding within the State of Maine anyway that the highest need is for abused and neglected children and adults. Transportation has fallen in priority. It's not No. 1, so it doesn't receive the kind of attention that it needs.

We have actually seen an increase from funding from the Bureau of Mental Retardation. I have been lobbying hard and have found some very good allies within that Bureau; so my funding level has gone up. They don't have an increase statewide, so there are other areas that have lost funding.

Private funding sources: I've gotten more funds from United Way. There are now two United Ways that fund my transportation service, and that's a major success in an era when United Ways are usually not accepting new services for support.

We have been very aggressive in terms of soliciting additional contracts, summer contracts for services to summer camps for the retarded. We have gone out and put advertising on the sides of our vans and sold those. A lot of people say they look ugly. They bring in money. We have increased the amount of service that we can provide to the general public on a fare-paying basis. That amount has gone up.

Overall, the percentage of funding from the Federal level is fairly static; I would say plus or minus 5 percent. The State level varies more widely, depending on the legislative action within the State each year, and local monies that we get from each town through their wonderful town meeting process which is under way

right now in Maine, we have taken some major cuts in that this year. The big issue is revenue sharing.

Ms. SNOWE. So the elimination of revenue sharing also impacts on you.

Ms. GARBER. Very much so. That's my local match monies for capital projects; that's my local match monies for a lot of operating funds.

Ms. SNOWE. Thank you.

Would either of you like to comment further on that?

Mr. JOHANSON. I'd say that our picture is fairly parallel to that. For a short period of time this year we were operating in the Dial-A-Ride service for the town of Pullman, where Washington State University is located, and it has a section 18 project there, because we still had insurance and they didn't have it for a while, and we got some unexpected revenue there in that we were operating with $5-an-hour drivers; their drivers earn $19 an hour. So they were paying us on the same basis that they were operating on.

You get strange kinds of windfalls, and then you get another kind of cut that you don't expect.

I think that if you could realize the dance that it takes to keep such a network alive, I think that's the thing. Hearing Connie describe it sounds exhausting, because I know what she's talking about. It gets real tiresome.

Ms. SNOWE. From my perspective, I appreciate what you are going through. I've certainly gotten the picture.

Ms. Williams.

Ms. WILLIAMS. As far as the funding cuts go, we have lots of sources of income, about 10 sources, and we have always utilized the private sector—corporate giving. We do a mass mailing. We have been able to raise money. Our county government has increased year after year the funding. Next year, some of the funding that they give us has always come from Federal revenue sharing dollars, so we are sure that if that money is cut, not only will that money probably be lost but some of our other moneys that come out of the normal county tax dollars, because they are going to have to make up from the other people that they fund.

But the one issue that's very applicable to the Older Americans Act and part of transportation is that we rely heavily on client contributions.

We have worked very diligently for the past 5 years to increase contribution levels, and we have done a good job, but now the State of New York and, I understand, most States are saying that you must target all your services to low income, minority, and vulnerable, and because your contribution level is so high, you must not be serving that population. So we have become dependent on that contribution level, and those people need the service, to help with our budgets, but because we've been successful they're now saying we must target our money and our services to lower income people and then we will reduce the contribution level so it will be like a double cut.

It's kind of a funny, cyclical thing that has happened, and, especially with our nutrition program, we have worked very hard to get those contributions up and the transportation. Yet, because of that, they're saying, "Oh, no, no; we're going to pull money away from

you because you're really not going into a target area, because your contributions are too high."

Ms. SNOWE. Thank you.

I just have one other question.

Connie, is there any data available that would indicate that the cost-per-unit service is lower because of the coordinated program that Maine has established through the law that was enacted by the Maine Legislature in 1979?

Ms. GARBER. I was going to refer part of that question perhaps to David Raphael to find out if Rural America, George Rucker, has collected any information to that effect. I'm not sure.

He says he doesn't have anything right now.

I know there have been a tremendous number of studies.

Mr. BIAGGI. Why don't you get it for the record?

Ms. SNOWE. I think it would be helpful to determine that. Have other States implemented similar programs?

Ms. GARBER. There have been different types of coordination tried in other States. I know there are representatives from the State of Florida that will be speaking about the efforts that they are undergoing right now. Dr. Bell, who is another resource person here, is also referring to the State of Iowa and efforts that they have undergone.

I don't claim to be an expert on what's happening. I think that there are some good resource people, though, that I can contact and get some information for you on that.

Ms. WILLIAMS. May I add to that?

Ms. SNOWE. Yes, please.

Ms. WILLIAMS. One of the problems with any of that data that you will receive is that a lot of agencies that were supplying transportation as a single agency to a single clientele, if they've gone into a coordinated system, we have no real data on what the real cost was when they were doing it. They paid the gasoline, the maintenance, and the drivers, but how many staff were involved in supplying the service in-house—it's very difficult. So there's not a really good comparison to make.

Ms. SNOWE. Well, I want to thank all of you again; and, Connie, I hope that you will submit the results of the survey that will be conducted by the Maine Human Services Council—I think that would also be valuable for the committee—plus any data that is available on the coordinated program that Maine has instituted.

Again, I want to thank you and the panel.

Mr. BIAGGI. Mr. Wise.

Mr. WISE. Thank you very much.

A quick question on revenue sharing. Yesterday I was visited by several groups worried about revenue sharing, because we on the Government Operations Committee fight for the reauthorization of that program. I wanted to ask the extent to which the people you serve are aware of what revenue sharing is and what it means to their programs.

Let me just preface that by saying I think one reason that maybe revenue sharing falls under the ax quicker than, say, title V did a couple of years ago was because with title V people saw an immediate result. They knew what title V did; they saw what it did in the senior centers; they knew the people it employed. Revenue sharing,

I get the feeling, is a little more intangible, and the ones clearly concerned about it now are government officials because the average citizen doesn't fully appreciate what it is. Is that a fair summation?

Ms. GARBER. Yes.

Mr. WISE. Which tells me then that somehow—and I'm not quite sure, particularly given the amount of time—we need to get that message across to the various people we serve, my constituency included, because I think that's what will save revenue sharing, is when the letters start coming in from the average citizen saying, "I know that my transportation depends on it, my senior program in the senior center, the volunteer fire department," or whatever.

Thank you.

Mr. BIAGGI. Mr. Wortley.

Mr. WORTLEY. Thank you, Mr. Chairman. I really want to commend you for putting together this most informative panel.

I think your insights into the problems and your grasp of the issues, clear explanations, and solutions have certainly been invaluable to this committee.

You and I perhaps need to talk about getting together with the Central New York Regional Transportation Authority. Could they resolve some of these problems that you have in Madison County?

Ms. WILLIAMS. We have worked with them since about 1977, and basically the Regional Transit Authority in New York State, you have to join it, and you pay a percentage of the mortgage tax to belong to it, and then they do not guarantee any more service than along Route 5, which is the northern part of our county, which is already being served.

When we first investigated that, I found out that it would take an act of the New York State Legislature to get you back out.

Mr. WORTLEY. We thought the redtape in Washington was bad; the redtape in New York State is equally bad.

Ms. WILLIAMS. Yes.

The population does not warrant public transportation in the manner that urban transit is supplied, and they are basically urban transit. We have gone over and talked to Centro and done many things, but basically, because of the number of people and the manner of the service, it's not cost efficient. If they could go from A to Z every day, but they have to go from A to B today and A to D tomorrow and around, and so it's just very difficult.

In an urban area, if you want to offer transportation, everybody accepts that it is a service and you must pay for it. The first question on a rural area is, will it pay for itself? Automatically, that's the first question. So somewhere that issue has to be resolved.

Mr. WORTLEY. Of course I do know that the Central New York Regional Transportation Authority has this Call-A-Bus that they use in the Greater Syracuse area. Whether it's applicable or could be utilized in a more rural setting, such as Madison County, might be questionable, but they do have Call-A-Bus. That does a precise route.

You were concerned about the stable operating funding. I presume, if Congress could ever see fit to forward funding for the Older Americans program, that would be even more advantageous to you. Does the State provide any forward funding?

Ms. WILLIAMS. Not really. They do an advance system which, if you start in January, you probably get in March or April; so you're really already 3 months into the program.

It's not so much Older Americans Act dollars as it is transit dollars. Older Americans Act dollars we really do very well with; I have no problem with that. It's the transit dollars. There needs to be prospective funding, and there needs to be some mechanism of stable and multiyear, if possible, because basically transit systems run on a deficit funding system. You have to project how much you are going to lose in order to collect any money.

To me, that's very difficult. I'd rather know how much money I've got and then design my budget according to my funds and make adjustments. I think that's the main issue, that there is no stable funding source; they're not quite sure if they're going to get it. It's a little bit like our "cash in lieu" funding for the meals. We're not quite sure until two quarters later how much money we're going to get.

Mr. WORTLEY. I like your suggestion about incentives by the Federal Government to get greater utilization of vehicles. It's a good idea. It offers food for thought. It does pose some problems. For instance, school buses are pretty well funded by the State and the locality. To get the Federal programs harnessed up with State programs—

Ms. WILLIAMS. That's just very typical of what I was saying. You can't get elderly harnessed with youth, with handicapped, and it seems that if we are talking about money problems, then we should utilize the existing resources and make that as useful as we can.

Mr. WORTLEY. They are all for the betterment of society, and it's too bad we can't tie them together.

I thank you very much, Mr. Chairman.

Mr. BIAGGI. Thank you, ladies and gentlemen.

The next panel is the State agency perspective—Mr. Jesse Goodman, senior program specialist, North Carolina Department of Human Resources; Mr. Marion Hart, district multimode program manager, Florida Department of Transportation; and Colleen Fix, citizen advocate, Coordinating Council, Transportation Disadvantaged for the State of Florida.

Ms. SNOWE. Panel three will provide the State agency perspective. We have Mr. Jesse Goodman, the senior program specialist, North Carolina Department of Human Resources, from Raleigh, NC; Colleen Fix, citizen advocate of the Coordinating Council, Transportation Disadvantaged for the State of Florida; and Mr. Marion Hart, district multimode program manager, from the Florida Department of Transportation.

We welcome all three of you here today and thank you for testifying.

PANEL THREE: CONSISTING OF JESSE GOODMAN, SENIOR PROGRAM SPECIALIST, NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES; MARION HART, DISTRICT MULTIMODE PROGRAM MANAGER, FLORIDA DEPARTMENT OF TRANSPORTATION; AND COLLEEN FIX, CITIZEN ADVOCATE, COORDINATING COUNCIL, TRANSPORTATION DISADVANTAGED FOR THE STATE OF FLORIDA

STATEMENT OF JESSE GOODMAN

Mr. GOODMAN. We appreciate the opportunity to be here today.

My name is Jesse Goodman, and I do work for the North Carolina Department of Human Resources. I am a senior program specialist, which means that I wear many hats for the department, but the one that I've worn the longest has been directing our transportation initiative.

For the sake of time, I will just go over the observations and the recommendations that I included in my overall testimony. I think what we've heard today is that there are several States in the Nation that have undertaken coordination initiatives, and North Carolina is one of those, and Florida, which you will hear from in a few minutes, is also one.

The observations that I have—and I think we've heard this also today—is that the section 18 program as well as the 16(b)(2) program have been since 1978 and continue to be a tremendous catalyst and carrot for coordination and consolidation of human service and transportation. They are truly the bond that keeps coordinated systems operational and affordable. Efforts should be made to continue the present levels of funding for these highly important programs.

Observation No. 2, transportation provides an essential link to services for the elderly and disabled populations, which serves to eliminate isolation, increased dependency, poor health maintenance, and premature institutionalization, which often occurs as a result of a lack of these vital services.

We are convinced that the most economical approach to assuring the elimination of barriers affecting the ability of the elderly and disabled to remain major contributing factors in the community is through the continued development, operation, and utilization of a comprehensive and coordinated human service transportation network.

Observation No. 3, we feel that the Department of Health and Human Services should provide more focus to management attention on the area of specialized transportation. It has been estimated by various sources that the department spends well over $1 billion on transportation and transportation-related expenses for services.

While the department has taken steps in recent months to focus some attention on the transportation issue, we feel the service should be given higher priority status by the department.

Observation No. 4, within the Department of Health and Human Services, the direct Federal/local funding relationship which exists with the Head Start Program often has had the effect of undermining State efforts to coordinate transportation. We had in Federal Region IV a very excellent regional staff, human service staff, who were very aware of the benefits of coordination, and in spite of

their good working relationship with us, we still have had initiatives, even recently, from the Head Start Program that intended to very strongly undermine our efforts to coordinate transportation resources. These actions cause local Head Start agency directors to move away from rather than toward coordination.

Observation No. 5, there are several trends in the health and human service field that will surely increase the demand on our specialized transportation network.

First, as our population continues to mature, services for the elderly, especially transportation services, will be in greater demand.

Second, a major shift is beginning to take place with health care provision in rural areas. As small rural hospitals continue to close, more and more acute hospital care will be provided by larger regional medical care facilities. This will create a greater and critical demand for local transportation services to assure adequate access to the medical facilities for those persons who are transportation disadvantaged.

Finally, if funding for Federal domestic programs is reduced even further, the need for cost efficiency through coordination will only be amplified.

Given these observations, I would now like to offer you several recommendations that we feel warrant serious consideration.

Recommendation No. 1, the Department of Health and Human Services and the Department of Transportation should continue and intensify their working relationship in the area of specialized transportation.

Recommendation No. 2, a national policy directive should be issued which focuses on the issue of coordination of human service transportation and directs the Federal regional offices to strengthen their role in this transportation initiative.

Recommendation No. 3, as regulations which prohibit the charging of depreciation as an allowable operating expense for vehicles purchased in part with Federal financial assistance should be waivered for specialized human service transportation systems, it makes good business sense to allow local transportation systems to set aside depreciation funds as legitimate escrow for the purpose of vehicle replacement.

Safeguards such as reasonable time limits on the use of escrow funds, provisions for designating successor agencies, if needed, and permission to use interest accrued on the escrow if the interest is applied to new vehicle acquisition as an offset to inflation should be incorporated into the development of any new policy or regulation.

Finally, State and local governments should be given as much flexibility as possible in determining where budget cuts should be made. States have said consistently that Federal funding cuts should be dealt with in terms of overall funding rather than dictating what program categories are to be cut. That, we believe, is a decision best left to State and local governments.

With this type of recommendation, I allude to the section 18 program and the administration's considerations now to cut the operating component out of all mass transit. If that takes place, I do believe that our rural transportation systems in North Carolina will collapse. That operating assistance has allowed systems to de-

velop in North Carolina where they would otherwise not be feasible.

I appreciate the opportunity to be here and would be glad to answer any questions.

[The prepared statement of Mr. Goodman follows:]

PREPARED STATEMENT OF JESSE S. GOODMAN, NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES

Mr. Chairman and distinguished members of the Subcommittee, my name is Jesse Goodman. I am a senior program specialist for the North Carolina Department of Human Resources and have been in charge of the Department's transportation initiative for the past eight years.

The Department of Human Resources is responsible for the administration of the Medicaid Program, Social Services Block Grant, Title III of the Older Americans Act, Vocational Rehabilitation Services, and Mental Health Programs, all of which expend funds for specialized transportation services.

I am pleased to have the opportunity to discuss North Carolina's transportation initiative with you and, specifically, how the Gramm-Rudman-Hollings amendment is expected to impact on this program.

I would first like to share with the Subcommittee an overview of North Carolina's efforts to improve the availability of transportation services to our elderly and disabled population through coordination and consolidation of resources.

The State first began its efforts in the mid-seventies to streamline human service transportation. By that time, the proliferation of human service programs which allowed expenditures for transportation was apparent. Additionally, the Department of Health and Human Services, along with the UMTA 16(b)(2) program, had begun to place more emphasis on the coordination of transportation resources that serviced the elderly and disabled populations. In the Spring of 1978, a Governor's Committee on Rural Public Transportation was established to study this situation. The findings of that blue ribbon commission, and the resulting executive order, provided the foundation from which North Carolina's rural public and specialized transportation program has been built. The study revealed that over 20 federal programs were funding public transportation services in North Carolina. The study also identified a significant quantity of public and private transportation resources available within the State.

The committee's efforts resulted in the development of a state policy which emphasized coordination and use of private sector resources where feasible. This policy was strengthened further through the issuance of an executive order which created an Interagency Transportation Review Committee (ITRC). The membership of the ITRC consisted of representatives from the following agencies, all of which expended funds for client transportation services: The Department of Human Resources' Divisions of Aging, Mental Health, Medical Assistance (Medicaid), Social Sevices, and Vocational Rehabilitation; the agencies handling federal job training and community action programs within our Department of Natural Resources and Community Development; representatives from the Department of Public Instruction; and the Public Transportation Division of our Department of Transportation who also provided staff support to the committee.

The ITRC has been functioning for seven years. It meets monthly to review each request for state and federal transportation funding that is administered by state agencies. The criteria for approval of these funding requests, while necessarily flexible, emphasize a progressive move toward coordination among service providers in the area served by the requesting agency.

The State of North Carolina's efforts to bring about coordination is based on a local transportation development planning process. Utilizing UMTA Section 18 planning funds, the Public Transportation Division, in conjunction with county governments and local human service agencies, has undertaken to produce transportation plans for each of the State's 100 counties. These plans determine what resources are available and what services already exist, make an estimate of need, evaluate various organizational and service alternatives, select an appropriate service and organizational design, and recommend a five-year implementation schedule. The plan development is carried out through the full and active participation of local human service agencies, local elected officials, and private transportation operators who serve the county. The final plan is approved by the local governing body and the State Division of Public Transportation. Once approved, it becomes the basis for grantmaking under Sections 18 and 16(b)(2) as well as the basis for the review of transportation funding requests by the interagency committee.

This process, as you might suspect, is a very difficult one that requires a great deal of trust and compromise on the part of all the actors involved. Local skepticism of the process, reluctance to change, resentment of the State for imposing "another set of planning requirements", the often-cited problems of "turf", have all entered into the equation.

However, even with all these roadblocks, the process has produced very noteworthy and good results in terms of cost-effective transportation. All of North Carolina's 100 counties have received funds to produce transportation development plans. The major incentive for counties to go through this process is the access to federal capital, administrative and operating assistance, either through the Section 18 or 16(b)(2) program. Additionally, those counties that have approved plans receive priority funding status from all programs that participate in the state level interagency review process.

As I stated just a few minutes ago, this process and program requires a great deal of trust and compromise. The State, in selling this program to local elected officials and program administrators, stressed the benefits of service coordination, as well as the State's commitment to provide priority funding to those areas that completed the planning process. Often in meetingss with local elected officials, we heard:

> "Here you are with another federal program that Congress has enacted and you are telling us about it and it sounds good, but we have seen these programs time and time again. What

happens is they get us hooked, and then they cut us loose and we are on our own and we've got to provide the funds ourselves. We cannot do it."

This statement has never been more true than it is today. North Carolina, as is the case with every other state, is facing funding cuts in almost every program we administer, and these cuts will surely impact on our ability to provide needed transportation services to our elderly and disabled population.

While we are concerned about the future of our transportation coordination efforts and being able to meet the needs of our transportation disadvantaged population, we also recogonize the need for our great nation to get its feet back on solid financial ground. Sacrificies will have to be made by all for the good of the nation.

North Carolina is scheduled to lose $300,000 in its UMTA Section 18 program, $642,000 in its Title III Aging program, $80,000 in the Aging Title V program, $3 million in Social Services Block Grant funds, and $1.1 million in Mental health funds as a result of the Gramm-Rudman-Hollings automatic deficit reduction amendment.

Reductions in each of these programs will create a ripple effect at the local provider level because of the role each program plays in supporting coordinated transportation systems. These systems, many operating less than five years, will be struggling to maintain present service levels while at the same time trying to develop strategies to either generate revenues to replace lost federal funds or reduce services with the least amount of impact on the elderly and disabled population.

As I stated just a moment ago, coordinated transportation systems are in essence made up of the transportation components of the various human service agencies serving the elderly and disabled population. As important as these components are to these systems, none has been more important than UMTA's Section 18 and 16(b)(2) programs. These two programs have served as the bonding agents for the development of coordinated transportation systemws across our State. Through the provision of capital assistance under 16(b)(2) and administrative, operating, and capital assistance under Section 18, rural public and coordinated human service systems have been developed in areas where they otherwise would not be feasible.

While the FY 1986 cuts will create hardships on local transportation providers, the impact will not be as severe as those in upcoming years. Belt-tightening efforts by the State, in anticipation of federal deficit reduction actions, will help soften the impact on state and local programs for the remainder of this fiscal year.

In concluding my testimony, I would like to share with you several observations and recommendations for your consideration as you begin your development of the 1987 budget.

Observation Number One: The Section 18 program has been since 1978, and continues to be, a tremendous catalyst and carrot for

coordination and consolidation of human service transportation. It truly is the bond that keeps coordinated systems operational and affordable.

Observation Number Two: Transportation provides an essential link for the elderly and disabled populations which serves to eliminate isolation, increased dependence, poor health maintenance, and premature institutionalization which often occurs as a result of the lack of these vital services. We are convinced that the most economical approach to assuring the elimination of barriers affecting the ability of the elderly and disabled to remain major conributing factors in a community is through the continued development, operation and utilization of a comprehensive and coordinated human services transportation network.

Observation Number Three: We feel that the Department of Health and Human Services should provide more focused management attention to the area of specialized transportation. It has been estimated by various sources that DHHS spends well over $1 billion on transportation and transportation-related services. While the Department has taken steps in recent months to focus some attention on the transportation issue, we feel the service should be given priority status by the Department.

Observation Number Four: Within DHHS, the direct federal-local funding relationship which exists with the Head Start Program often has the effect of undermining state efforts to coordinate transportation. We have, in our DHHS Region IV, a very excellent regional human service staff who are very aware of the benefits of coordinated human service transportation systems. In spite of this good working relationship and their efforts to work with and be accessible to us, we still have had initiatives, even recently, from the Head Start Program that intended to very strongly undermine our efforts to coordinate transportation resources. These actions cause Head Start agency directors to move away from, rather than toward, coordination.

Observation Number Five: There are several trends in the health and human services field that will surely increase the demand on our specialized transportation network. First, as our population continues to mature, services for the elderly, and especially transportation services, will be in greater demand. Second, a major shift is beginning to take place with health care provisions in rural areas. As small rural hospitals continue to close, more and more acute hospital care will be provided at larger, regional medical care facilities. This will create a greater and critical demand for local transportation services to assure adequate access to the medical facilities for those persons who are transportation disadvantaged. Finally, as funding for federal domestic programs are reduced even further, the need for cost-efficiency through coordination will only be amplified.

Given these observations, I would now like to provide you with some recommendations that we feel warrant serious consideration.

Recommendation Number One: The Departments of Health and Human Services and Transportation should continue and intensify their working relationship in the area of specialized transportation. A formal link should be established between the two agencies to strengthen this relationship.

Recommendation Number Two: A national policy directive should be issued which focuses on the issue of coordination of human service transportation and directs the federal regional offices to strengthen their role in the transportation initiative.

Recommendation Number Three: The regulations which prohibit the charging of depreciation as an allowable operating expense for vehicles purchased in part with federal financial assistance should be waived for specialized human service transportation systems.

It makes good business sense to allow local transportation systems to set aside depreciation funds as a legitimate escrow for the purpose of vehicle replacement. Safeguards such as reasonable time limits on use of escrow funds, provisions for designating successor agencies if needed, and permission to use interest accrued on the escrow if the interest is applied to new vehicle acquisition as an offset to inflation should be incorporated into the development of any new policy or regulation.

Recommendation Number Four: State and local governments should be given as much flexibility as possible in determining where budget cuts should be made. States have said consistently that federal funding cuts should be dealt with in terms of overall funding rather than dictating what program categories are to be cut. That, we believe, is a decision best left for the state and local governments to make: Within available funding, how can we spend the funds to our maximum advantage?

Mr. Chairman, I again thank you for allowing me this opportunity to be with you today. I will be glad to answser any questions that the Subcommittee may have concerning North Carolina's transportation program.

Mr. RINALDO [acting chairman]. Mr. Hart.

STATEMENT OF MARION HART

Mr. HART. Thank you, sir.

I would like to thank the committee for allowing me to be here today and speak on the problem of making transportation provisions for the elderly and handicapped. In Florida, this cannot be overemphasized.

In addition to not having enough funds to meet the needs and the possibility of getting cut, we also have another concern, and that is the fact that this particular population is growing by a number of from 15,000 a month in the State of Florida's permanent residents, which equates to about 180,000 new permanent residents per year in this particular category.

It's pretty obvious to me, and it should be obvious to you, that we're going to have a need, and we're going to have to have, funds in order to meet these needs. We aren't alluding to the fact that funds should come from any particular location, but we see ourselves as being in a partnership with Federal and local governments, and we are proud of the partnership that we are in, and we would expect the other governments to maintain that partnership with us and try and help us meet the needs within the State of Florida.

We're not alluding to the fact either that funds should be taken from any other State and given to us, but the fact remains, we still have the needs, and the needs should be met.

We love folk, and we appreciate the fact that Florida is so popular, but it's definitely creating a tremendous number of problems for us in terms of meeting their needs and providing the type of service that these folk so honorably deserve.

Also, I don't intend to be repetitive on any of the issues, but I would like to identify some of the issues to let you know that we have problems and are concerned with the same issues and that they are important and they need to be dealt with.

Before I get into that, I would like to address one issue that has already been discussed, and it's in reference to the title III(b) program. In Florida, it is operating just the opposite of what I heard here. We are operating under a mandated State statute which requires us to coordinate all of the Federal and State dollars that come into Florida that are earmarked for the purpose of transporting the disadvantaged. In that definition, we not only identify the elderly but we also identify the handicapped and the economically disadvantaged.

To exempt any given group, especially the elderly, which represents about 70 percent of that group, it would destroy our system that we currently have in Florida.

We are enjoying the knowledge that we are getting out of our relationship with the III(b) type organizations such as the Councils on Aging. In our rural areas, over 50 percent of the providers that have been designated by local governments are Council on Aging type groups.

Don't get the impression that III(b) funds are being used to support the funding of a transportation system, because that's not the

case. What we have elected to do is, these organizations, once designated, will file with the Secretary of State's office for a new charter, and they would provide transportation on the side as a separate function, and III(b) would purchase transportation from this new organization, just as any other social service agency in that county.

What does all this mean? First of all, the local government has designated who the provider will be. These people are ideally located. They are already in the posture of receiving funds from the local government to match their basic grants.

If the operators are happy, the local governments are happy. It's a channel of communication to the local government and to the State elected officials from those particular areas. So we are getting a tremendous amount of mileage out of our relationship with the III(b) operation. In essence, we would go so far as to say the idea of exempting anybody in Florida from not participating in the transportation effort that are receiving State and Federal dollars would be a mistake, and it would harm us tremendously.

I'm not just here to talk about our problems. I'm also here to share information and make recommendations, not in terms of the fact that our way is the right way and we haven't made mistakes, but we think some of the things we are doing have worked out pretty good for us, and we think that if some of the other States see fit to pursue some of these things, they might work as well for them.

One of the problems that we have had with the funds that we have received from the Federal Government is the fact that in many cases they are not identified by line item and there's no specificity in there to require these funds to be spent on transportation. Our State laws say that the funds that are earmarked for transportation will be spent in a coordinated effort, and there are many agencies receiving Federal funds without this identification being included, and we have no way of mandating that they fall under the purview of chapter 427, which is the State statute that we operate under in our coordinated effort.

We currently have about two-thirds of our coordinated systems in place. Initially, the law was approved in 1979, and we did realize substantial savings. We have examples of putting systems in counties where no transportation existed before. We have an experience where we put a system in a county where they had been purchasing transportation from an urban area maybe 30 miles away, and the cost of providing that transportation ranged between $100 and $150, and by putting a specialized transit system out there now, that same service is being provided for $25, a cost saving of some 600 percent.

But our ability to coordinate now—and we've been on line for going into the seventh year—can no longer compensate for the resources that are needed to provide the service. It's not a matter of the State not attempting to do anything, because the State is addressing the problem. Last year there was a major emphasis on growth management. The governor has objectives pertaining to the continued pattern of growth. The elderly are a major emphasis in there. It's the fastest growing population in the State of Florida. We are trying to do things.

We have some programs that are funded 100 percent with State dollars that can be used in the transportation effort. Some are funneled through the State Health and Human Services Office, and some are funneled directly through the system, such as the service development funds which require a match, and on the health and human services side, the CCE dollar which can be used to purchase service for the elderly in the State of Florida.

So we are maximizing all of the dollars that we have managed to receive from the Federal Government and from the State. We have never in recent years left any money on the shelf that was not utilized.

In addition to that, talking about the cut and talking about the increased growth in our population, we have some difficult tasks in front of us.

We are also proposing to do some things through the State legislature. We have some bills that are currently being proposed to the legislature this session. One is in reference to operating a system through the transit industry, primarily put together by the Florida Transit Association. We also have bills that are sponsored through the Florida Department of Transportation that would put additional funds into the system.

There is no guarantee that these bills will be favorably considered, but at least we are trying everything that we know at this point, and we are making a plea to you to help us maintain the partnership and the relationship to try and meet the needs of the client so desperate at this moment.

Also, in our effort, we have extensive involvement of a number of different service type deliveries, including the private for-profit industry, including public agencies, including private non-profits. So we are establishing a partnership in reference to the service delivery aspect of our capability as well.

We talk in my paper about insurance. I won't say very much about that, but we are trying some things on that. We're trying to get consideration under State sovereign immunity. We're trying to look at the possibility of forming a consortium for the purpose of purchasing insurance, and there are some other things that we are trying to look at as well. So we're not just sitting back, waiting for a solution to come to us; we're trying to solve some problems.

In reference to section 18, our allocation has been the same for some years. We have maximized the use of those funds, and even though that's not the largest single source of funds that we receive into the State of Florida, it's the most crucial because the Department of Transportation under this law has the responsibility of developing systems and putting systems on line, having them approved by the Coordinating Council, and signing a contract with these systems.

Section 18 flows through the Florida Department of Transportation, and sort of like the hub of all of the other funding activities. Most of the funds that are put into the system are through purchase of service arrangements with the health and human services agency.

I talk in my paper about a joint use school bus arrangement. This is primarily a State responsibility or within the State realm of responsibility, but I put it in there as an idea or suggestion that

some other States might pick up on, because we're getting tremendous mileage out of that program. Of course there are some questions in there or some concerns in reference to that, but it's working extremely well for us.

Again, I'd like to thank you for the opportunity to appear before you, and I hope that I've said something that will do some other State or you some good in line of doing your duty.

Thank you.

[The prepared statement of Mr. Hart follows:]

Prepared Statement of Marion Hart, Jr., representing State of Florida Department of Transportation

THE IMPACT OF GRAMM-RUDMAN-HOLLINGS ON EXISTING ELDERLY AND DISABLED STATE TRANSPORTATION PROGRAMS IN FLORIDA

THE IMPORTANCE OF TRANSPORTATION PROVISIONS FOR ELDERLY AND HANDICAPPED IN FLORIDA CANNOT BE OVEREMPHASIZED.

MANY CITIZENS IN OUR STATE BECAUSE OF PHYSICAL OR MENTAL DISABILITY, OR AGE ARE UNABLE TO TRANSPORT THEMSELVES OR TO PURCHASE TRANSPORTATION AND ARE, THEREFORE, DEPENDENT UPON OTHER TO OBTAIN ACCESS TO HEALTH CARE, EMPLOYMENT, EDUCATION, SHOPPING, SOCIAL ACTIVITIES, OR OTHER LIFE-SUSTAINING ACTIVITIES.

IT IS APPARENT THAT THE TASK BEFORE US IN OUR STATE WILL NOT BE EASY, ESPECIALLY CONSIDERING THAT WE ARE LIVING IN SUCH A FAST GROWING PROGRESSIVE STATE, WHERE THE ELDERLY AND HANDICAPPED POPULATIONS ARE INCREASING AT A TREMENDOUS RATE, AND THE AVAILABLE RESOURCES ARE GRADUALLY DIMINISHING.

THE IMPACT OF GRAMM-RUDMAN-HOLLINGS ON EXISTING SPECIALIZED TRANSPORTATION SYSTEMS IN FLORIDA WILL INITIALLY SURVIVE FROM A SYSTEM POINT OF VIEW, BUT WILL DIRECTLY IMPACT ON A SIGNIFICANT PERCENTAGE OF ELDERLY AND HANDICAPPED CLIENTS BECAUSE OF THE ADJUSTMENTS THAT WILL BE DICTATED BY A LACK OF AVAILABLE FUNDS.

ANOTHER MAJOR PERPLEXING AREA OF CONCERN IS INSURANCE COST. MANY OF OUR SYSTEMS CAN NO LONGER AFFORD TO PAY CURRENT INSURANCE PREMIUMS AND MAINTAIN A REPRESENTATIVE LEVEL OF SERVICE. THIS ISSUE IN CERTAIN INSTANCES CAN INITIALLY IMPACT MORE THAN THE GRADUAL LOSS OF FUNDS, IF SOLUTIONS ARE NOT SOON FORTHCOMING.

A COMBINATION OF INSURANCE COST AND LACK OF FUNDS COULD VERY WELL ELIMINATE THE PARTICIAPTION OF SOCIAL SERVICE TYPE AGENCIES FROM OPERATING AS TRANSIT DELIVERERS OF SERVICE, AND HAVE AN IMPACT ON THEIR ABILITIES TO PURCHASE SERVICES AS WELL.

IN FLORIDA WE HAVE PUT FORTH AN EFFORT AIMED AT ACHIEVING THE MOST COHERENT USE OF FEDERAL DOLLARS APPROPRIATED FOR TRANSPORTATION. IN MANY PROGRAM AREAS TRANSPORTATION SERVICES ARE PURCHASED THROUGH THE COORDINATION CONCEPRT AUTHORIZED BY CHAPTER 427, F.S. UNDER THIS LAW WE ARE REQUIRED TO ESTABLISH MECHANISMS WHEREAS FEDERAL AND STATE FUNDS EARMARKED FOR THE PURPOSE OF TRANSPORTING THE DISADVANTAGED (ELDERLY, HANDICAPPED & ECONOMIC DISADVANTAGE) ARE SPENT WITH A DESIGNATED AND APPROVED TRANSPORTATION SERVICE PROVIDER.

IN AN EFFORT TO ELIMINATE DUPLICATION AND PROVIDE MORE TRANSPORTATION AT A REDUCED OR STABLE FUNDING LEVEL, WE HAVE ESTABLISH SOME WORKABLE CONCEPTS TO INCLUDE THE UTILIZATION OF PRIVATE, PUBLIC AND PRIVATE NON-PROFIT SERVICE PROVIDERS. SUCH CONCEPTS AS BROKERING, CONTRACTING FOR SERVICES, INTERGRATED VOLUNTEERISM, SHARING OF VEHICLES AND PERSONNEL RESOURCES ARE A PART OF OUR CURRENT STRATERGY IN FLORIDA.

OUR ABILITY TO STRETCH AVAILABLE FEDERAL, STATE AND LOCAL DOLLARS TO TRANSPORT THE ELDERLY AND HANDICAPPED IS CURRENTLY BEING IMPAIRED BY BUDGET CUTS AND OTHER INFLATIONARY FACTORS, SUCH AS; INSURANCE.

IN ORDER TO CONTINUE THE CURRENT LEVEL OF SERVICES FOR THE ELDERLY AND HANDICAPPED IN FLORIDA, WE WOULD LIKE TO INVITE THE SUBCOMMITTEE ON HUMAN SERVICES OF THE HOUSE SELECT COMMITTEE ON AGING TO EXPLORE THE FOLLOWING RECOMMENDATIONS FOR FUTURE IMPROVEMENT IN TRANSPORTATION PROGRAMS FOR THE ELDERLY AND HANDICAPPED:

COORDINATION

MANDATE THE CREATION OF A FEDERAL COORDINATING COUNCIL. COORDINATION AND CONSOLIDATION SHOULD BE ENCOURAGED IN AREAS WHERE FEASIBLE. DEVELOP POLICIES TO COORDINATE FEDERAL FUNDS FOR TRANSPORTATION OF ELDERLY AND HANDICAPPED ANALYZE BARRIERS PROHIBITING THE COORDINATION OF TRANSPORTATION SERVICES FOR THE ELDERLY AND HANDICAPPED, AND AGGRESSIVELY PURSUE THE ELIMINATION OF SUCH.

UTILIZATION OF VOLUNTEERS

FUND THE CREATION OF A NATIONAL VOLUNTEER NETWORK. IT IS IMPERATIVE THAT WE NOT ONLY UTILIZE AVAILABLE VOLUNTEERS, BUT WE MUST RECRUIT ADDITIONAL VOLUNTEERS TO HELP INSURE THAT NEEDED VITAL SENSITIVE CARE IS FOREVER A PART OF OUR ABILITY TO MEET THE TRANSPORTATION NEEDS OF THE ELDERLY AND HANDICAPPED. THIS ALONE CAN MAKE A DIFFERENCE, AND IT IS WHERE WE CAN EARN OUR DISTINCTION.

NOT ONLY THAT, WE MUST MAINTAIN A BALANCED COLLECTIVE APPROACH TO APPLYING PROBLEM SOLVING TECHNIQUES WHEN IDENTIFYING AND ADMINISTERING ADEQUATE SOLUTIONS TO MEET THE NEEDS OF OUR TARGET GROUP.

NO SPECIALIZED TRANSPORTATION SYSTEM SHOULD BE SO DESIGNED WHEREAS VOLUNTEERS ARE DISPLACED, OR CAN'T BE UTILIZED.

THE UTILIZATION OF VOLUNTEERS MAKES GOOD ECONOMICAL, SOCIAL AND MORAL SENSE.

INSURANCE

INVESTIGATE AND ADDRESS THE CURRENT NATIONAL INSURANCE CRISIS. LARGE PREMIMUM INCREASES COULD RESULT IN THE CLOSING DOWN OF SMALL TRANSPORATION SYSTEMS, AND A DECREASE IN THE AVAILABILITY OF TRANSPORTATION SERVICES FOR THE ELDERLY AND HANDICAPPED.

FUNDING

SUPPORT REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT WITH FUNDING FOR TRANSIT PROGRAMS AT CURRENT OR INCREASED LEVELS.

MANY SUCESSFUL LOCAL VENTURES HAVE BEEN UNDERTAKEN WHEREAS SOCIAL SERVICE CLIENTS HAVE BEEN CARRIED ON TRANSPORTATION SYSTEMS FUNDED PRIMARILY BY GRANTEES OF THE URBAN MASS TRANSPORTATION ADMINISTRATION. SECTION 18, A PROGRAM WHICH MAKES CAPITAL AND OPERATING ASSISTANCE AVAILABLE TO SMALL CITIES AND RURAL AREAS, HAS ACHIEVED REMARKABLE SUCCESS, AND IS THE CORE OF A FUNDING ARRANGEMENT TO SUPPORT SYSTEMS IN SOME COMMUNITIES WITH COORDINATING SUCH FEDERAL, STATE, AND LOCALLY FUNDED TRANSPORTATION.

UTILIZATION OF PUBLIC SCHOOL BUSES

ENCOURAGE STATES TO UTILIZE PUBLIC SCHOOL BUSES TO ASSIST IN THE COORDINATION OF TRANSPORTATION SERVICES FOR THE ELDERLY AND HANDICAPPED, BY ENTERING JOINT-USE-SCHOOL BUS AGREEMENTS. ENCOURAGE THE SHARING OF EXPERTISES AND MAINTENANCE FACILITIES.

THOUSAND OF TRANSPORTATION DISADVANTAGED FLORIDIANS RODE PUBLIC SCHOOL BUSES LAST YEAR. MANY OF THESE RIDER WERE ABLE TO PARTAKE IN LIFE SUSTAINING AND ENRICHMENT ACTIVITIES THAT WERE PREVIOUSLY INACCESSIBLE TO THEM. TRIP DESTINATIONS INCLUDED EDUCATIONAL FACILITIES, HEALTH CARE CENTERS, SHOPPING MALLS, H.R.S OFFICES, CONGREGATE MEAL SITES AND LOCATIONS THAT MET RECREATIONAL AND SOCIAL NEEDS.

SERVICES WERE PROVIDED FROM A MIMIMUM OF ONE-DAY PER WEEK USING ONE BUS, TO SEVEN DAYS EACH WEEK USING 20 BUSES DAILY. THE BUSES RANGED IN SIZE FROM SMALL VAN-TYPE SCHOOL BUSES TO LARGE EIGHTY-EIGHT (88) PASSENGER TRANSIT-TYPE BUSES. SEVERAL DISTRICTS USED BUSES EQUIPPED WITH WHEELCHAIR LIFTS TO PROVIDE TRANSPORTATION SERVICES TO NON-AMBULATORY RIDERS.

SECTION 234.211 OF THE FLORIDA STATUTES PERMITS THE USE OF SCHOOL BUSES FOR PUBLIC PURPOSE AND ALLOWS SCHOOL DISTRICTS TO ENTER INTO AGREEMENTS TO ASSIST THE TRANSPORTATION DISADVANTAGED, AS DEFINED IN CHAPTER 427 F.S.. EACH AGREEMENT MUST PROVIDE FOR REIMBURSEMENT OF THE SCHOOL DISTRICT, IN FULL OR IN PART, FOR THE PROPORTIONATE SHARE OF FIXED AND OPERATING COSTS INCURRED BY THE SCHOOL DISTRICT ATTRIBUTABLE TO THE USE OF SUCH BUSES.

SECTION 236.0835 OF THE FLORIDA STATUTES AUTHORIZES STATE FUNDS TO BE DISTRIBUTED TO SCHOOL DISTRICTS TO REPLACE SCHOOL BUSES. TO PARTICIPATE, EACH SCHOOL DISTRICT MUST NEGOTIATE AN ACCEPTABLE JOINT-USE PROGRAM TO SERVE THE TRANSPORTATION DISADVANTAGED. THE COMMISSIONER OF EDUCATION CAN WAIVE THIS REQUIREMENT IF A REASONABLE EFFORT HAS BEEN MADE TO HAVE A PROGRAM, OR, IF IT HAS BEEN DETERMINED AND CERTIFIED BY THE DESIGNATED COORDINATED COMMUNITY TRANSPORTATION PROVIDER (CCTP) THAT SCHOOL BUSES ARE NOT NECESSARY TO MEET THE NEEDS OF THE COORDINATED SYSTEM.

ONLY THOSE SCHOOL DISTRICTS WITH A PROGRAM (OR A WAIVER) CAN RECEIVE THEIR ALLOCATION OF STATE FUNDS APPROPRIATED FOR SHCOOL BUS REPLACEMENT. SHCOOL DISTRICTS HAVE AN INCENTIVE TO HAVE A PROGRAM BUT THERE IS NO MANDATED LEVEL OF PROGRAM OR FINANCIAL PARTICIPATION.

PURSUANT OT THE REQUIREMENTS OF CHAPTER 427, F.S., THE COORDINATING COUNCIL APPROVED ALL MEMORANDUM OF AGREEMENTS (MOA). EACH MOA MUST CONTAIN INFORMATION ABOUT JOINT-USE PROGRAMS NEGOTIATED WITH THE SCHOOL DISTRICT. THE COORDINATING COUNCIL APPROVES AND COORDINATES ALL JOINT-USE PROGRAMS ON THE BASIS OF THE FOLLOWING CRITERIA:

(A) PROGRAMS SHALL BE ENERGY-EFFICIENT BY TRANSPORTING A MINIMUM AVERAGE NUMBER OF EIGHT RIDERS PER VEHICLE TRIP COUNTED ON AN ANNUAL BASIS.

(B) PROGRAM SERVICES SHALL BE PROVIDED ON AT LEAST A WEEKLY BASIS.

THERE WERE 57 APPROVED PROGRAMS FOR FY 1984-85, THE ESTIMATED TOTAL DISTRICT COST FOR ALL JOINT-USE PORGRAMS THAT YEAR WAS $900,609, OF WHICH SCHOOL DISTRICTS CONTRIBUTE $465,142 OR $52%. THE AVERAGE SCHOOL DISTRICT JOINT-USE PROGRAM COST WAS $15,800 WITH THE AVERAGE SCHOOL DISTRICT CONTRIBUTION AT $8,160.

APPROVED JOINT-USE PORGRAMS ARE IDENTIFIED AS SERVING ONE OR MORE OF THE FOLLOWING GROUPS: ELDERLY, HANDICAPPED OR ECONOMICALLY DISADVANTAGED. THERE WERE 29 PROGRAMS SERVING ELDERLY. 26 SERVING HANDICAPPED AND 29 SERVING ECONOMICALLY DISADVANTAGED. MANY COUNTIES WERE SERVING TWO OR THREE GROUPS. STATEWIDE, THERE WAS 189 BUSES BEING USED IN JOINT-USE PROGRAMS, OR AN AVERAGE OF 3.5 BUSES PER DISTRICT.

WITHIN THE PROGRAM WE DO HAVE THE FOLLOWING CONCERNS:

(A) DIFFICULY OF SOME USER GROUPS TO PROVIDE LIABILITY INSURANCE AS REQUIRED BY SECTION 234.411 F.S.

(B) PERCEPTION THAT LARGE SCHOOL BUSES ARE INAPPROPRIATE FOR ELDERLY OR HANDICAPPED PASSENGERS. (ALTHOUGH THIS HAS NOT BEEN PROVEN TO BE A PROBLEM, MANY DISTRICT HAVE SMALLER, LIFT EQUIPPED VEHICLES IN THEIR FLEETS.)

(C) CCTP'S MANY PERCEIVE JOINT-USE PROGRAM COSTS TO BE HIGHER THAN-THOSE OF ALTERNATIVE PROVIDERS.

(D) LACK OF A COMMUNITY CATALYST TO INITIATE AND ADVOCATE FOR EXPANDED JOINT-USE PROGRAMS. (SPECIAL EFFORTS AND CIRCUMSTANCES HAVE RESULTED IN SUBSTANTIAL PROGRAMS SUPPORTED BY THE COMMUNITY WITH HIGH LEVELS OF SCHOOL DISTRICT PARTICIPATION.)

PRESENT PROGRAMS INCLUDE, BUT ARE NOT LIMITED TO:

HEAD START
CONGREGATE DINING
JOB TRAINING PARTNERSHIP ACT
HEALTH AND REHABILITATIVE SERVICES
COMMUNITY COLLEGES
DIVISION OF BLIND SERVICES

PUBLIC TRANSPORTATION FUNDING
COMPARISON OF FEDERAL PROGRAM LEVELS
($ In Millions)

	Fiscal Year 1985	Fiscal Year 1986		Fiscal Year 1987 Options	
		As of 12/85	As of 3/86 (4.3% Reduction)	G-R-H (15% Reduction)	President's Budget*
Discretionary Capital Grants (Section 3) (Presently financed from federal 1¢ gas tax)	$ 1,120.0	$ 1,045.5	$ 1,000.5	$ 850.4	$ 65.5
Bus/Bus Facilities	130.0	145.0	138.8	118.0	- 0 -
Rail Modernization	487.5	430.0	411.5	349.8	- 0 -
New Starts	422.5	385.0	368.4	313.1	- 0 -
Planning	50.0	50.0	47.8	40.6	30.5
Innovative Techniques	5.0	5.0	4.8	4.1	- 0 -
ELDERLY AND HANDICAPPED (Sec. 16(b)(2))	25.0	30.5	29.2	24.8	35.0
Formula Grants (Sections 9 and 18) (Presently financed from general funds)	$ 2,449.5	$ 2,150.0	$ 2,057.6	$ 1,749.0	$ 1,108.2
URBANIZED (SECTION 9)	2,377.7	2,087.0	1,997.3	1,697.7	1,076.4
Capital	(1,502.7)	(1,221.1)	(1,168.6)	(993.3)	(1,008.7)
Operating	(875.0)	(865.9)	(828.7)	(704.4)	(67.7)
NON-URBANIZED (SECTION 18)	71.8	63.0	60.3	51.3	31.8
GRAND TOTAL	$ 3,569.5	$ 3,195.5	$ 3,058.1	$ 2,599.4	$ 1,173.7*

*President's Budget proposes to finance all transit programs from the federal 1¢ gas tax; general funds for transit would be eliminated.

SUMMARY

BECAUSE OF YOUR MEMBERSHIP ON THE HUMAN SERVICES OF THE HOUSE SELECT COMMITTEE ON AGING, WE ARE APPEARING HERE TO REMIND YOU OF THE IMPORTANCE OF TRANSIT TO FLORIDA AND AMERICA.

UNDERSTANDING THE TREPIDATIONS INVOLVED IN SUCH A VITAL PROCESS, WE ARE CONVINCED THAT THE DOLLARS INVESTED THROUGH YOUR ACTION WILL HAVE A TREMENDOUS EFFECT UPON MANY CITIZENS, ESPECIALLY THE ELDERLY, HANDICAPPED AND LOW INCOME.

THE FLORIDA DEPARTMENT OF TRANSPORTATION SHARE THE CONCERNS THAT YOU HAVE ABOUT THE HUGE FEDERAL DEFICIT AND WE BELIEVE THE MOST EQUITABLE SOLUTION WITH THE BEST INTEREST OF ALL AMERICANS WILL BE FORTHCOMMING.

WE APPRECIATE YOUR EFFORTS IN CARRING OUT YOUR JOB UNDER SUCH DIFFICULT CIRCUMSTANCES. WE HOPE THAT YOU WILL UNDERSTAND AND SUPPORT OUR POSITIONS.

Ms. SNOWE [acting Chair]. Thank you, Mr. Hart.

Before we go on to Ms. Fix, I'd like to introduce the distinguished gentleman from New Jersey, who is also the ranking member of the full Select Committee on Aging. He can be here with us for only a short while while he has to go to another meeting. I'd like to recognize the gentleman from New Jersey for a statement.

Thank you for being here.

Mr. RINALDO. Thank you.

I certainly have a deep interest in this matter and wish I could have been present for the entire hearing. Unfortunately, I ducked out of another hearing to come here for a few minutes and at this point in time would like to request unanimous consent that my opening statement be inserted in the record in full. I know that it's late in the day, and I would rather not take up the committee's time by reading it at this point.

Ms. SNOWE. I thank the gentleman.

Without objection, it is so ordered.

[The prepared statement of Representative Rinaldo follows:]

PREPARED STATEMENT OF REPRESENTATIVE MATTHEW J. RINALDO

Mr. Chairman I commend you for holding this hearing today; it is long overdue. Mobility is crucial to our society, and public transportation is a key element of this, especially for the elderly. Many senior citizens depend on bus service to get to a nutrition site or doctor's appointment. Therefore, this bus service is not a luxury, but often a necessity. The main question before us today is how to provide safe, accessible, and effective transportation to our nation's elderly while grappling with a reduced budet.

In 1982, I conducted a survey in New Jersey on the programs provided by the Older Americans Act, and transportation was overwhelmingly listed as the **most important service** provided to the elderly. Transportation was also the most extensive service provided, more than home services, legal services, and residence repair. It is obvious that we must continue to provide this critical service to our ever increasing elderly population.

I see a number of problems with the way our current transportation programs for the elderly are provided. First of all, there is little coordination between the programs provided by the Department of Transportation, and those provided through the Older Americans Act. Another question facing us today is how we can best provide the variety of federal transportation programs to the elderly.

Secondly, there is little accurate data on the number of elderly who need transportation assistance, and what types of assistance they need. In 1980, only 15 percent of elderly people reported a need for public transportation assistance. However, with little coordination between programs, and no standardized form of reporting need or usage, any evaluation of the existing federal assistance for transportation is limited, and incomplete.

Finally, there is an obvious difference between the needs of the rural elderly and the needs of the urban elderly for transportation. Most urban areas have existing mass transportation that only needs to be modified to increase the accessibility for senior citizens. Rural areas have to address an entirely different set of problems in order to provide even a basic service.

This afternoon, I hope that we can obtain some answers to these questions and gain information on how to improve the services we provide to our nation's elderly. I look forward to hearing the witnesses's testimony.

Ms. SNOWE. Thank you.
Ms. Fix.

STATEMENT OF COLLEEN FIX

Ms. FIX. Thank you.

Members of the subcommittee, I'm Colleen Fix. I'm speaking to you today from the perspective of a citizens' advocate of the approximately 4.2 million transportation disadvantaged individuals in the State of Florida. I'm a member of the Coordinating Council on Transportation Disadvantaged. Other members of the council include the secretaries of transportation, health and rehabilitative services, community affairs, a representative of the elderly, handicapped, and a Florida president of the Association of Community Action Agencies.

I'm also talking to you today from the point of view of a person who is legally blind, and in my everyday life, the biggest hassle I have is to try to find cost-effective, accessible transportation for everyday life.

The purpose of the Florida Coordinating Council on Transportation Disadvantaged is to develop plans and policies which provide for low-cost, safe, accessible transportation for people who are elderly, poor, and handicapped. We do this by the development of plans and policies to coordinate existing social service transportation. As we look toward a Federal coordination, which I have heard over and over today, I would ask you to look carefully at this model as a Federal model.

We recognize, although we're fortunate to have this kind of legislation in the State, the need to work with you to implement our priorities, which we think will be of great advantage to the elderly disadvantaged in Florida but also have impact on all of our Nation's transportation disadvantaged.

The first priority is for funding. We need help to reauthorize the Surface Transportation Assistance Act with a disbursal formula that's more responsive to the needs of the population growth and of transportation disadvantaged people, particularly in the 16(b)(2) sections 9 and 18 transportation programs.

Second, we need reauthorization of the sections 9 and 18 programs through the general funds and not through the consolidation of all transportation programs by the mass transit account of the Highway Trust Fund.

We also ask that we get more Federal planning on transportation, particularly as it relates to the transportation disadvantaged. We need to fight cutbacks of Medicaid. As you know, there is a schedule for cutbacks in 1987. You are also aware that, with that cutback, many of the people now provided with medical transportation will not be able to do so.

Again, we strongly endorse the Federal coordination of transportation in our State, and we haven't got the most updated figures, but we accounted for at least $1 million of savings, because we have coordinated existing resources.

Next we need to get the 504 DOT regulations implemented and in final form, out of the Department of Justice. We need to tell our

constituents, our elderly, handicapped constituents, about their rights on the local level through those regulations.

We need to reauthorize the 1973 Rehabilitation Act and reauthorize that for 5 years with few major changes.

We have talked about insurance premiums, which really are a scandal. We need to investigate and address why those premiums are so inordinately high.

We need to support, as we do in the State of Florida fully, the private role in transportation delivery of services, but we ask that the local people make the judgments of which should be private and which should be public.

I'm delighted to have an opportunity to talk with you and ask for your help on these priority efforts. I know you must be tired, but we really are looking for a bigger Federal push, because we too are deeply concerned about this underserved population.

Thank you for the opportunity to talk with you.

[The prepared statement of Ms. Fix follows:]

PREPARED STATEMENT OF COLEEN FIX, REPRESENTING FLORIDA'S COORDINATING COUNCIL ON THE TRANSPORTATION DISADVANTAGED

CHAIRMAN BIAGGI AND MEMBERS OF THE SUBCOMMITTEE, MY NAME IS COLLEEN FIX. IT IS A PLEASURE TO BE PROVIDED AN OPPORTUNITY TO ADDRESS THIS COMMITTEE ON ISSUES AFFECTING THE ELDERLY AND OTHER TRANSPORTATION DISADVANTAGED. I AM HERE REPRESENTING THE FLORIDA COORDINATING COUNCIL ON THE TRANSPORTATION DISADVANTAGED. IN THAT CAPACITY, I REPRESENT THE CITIZENS ADVOCATE ON MATTERS RELATING TO TRANSPORTATION.

ALSO SERVING ON THE COUNCIL IS THE SECRETARY OF THE DEPARTMENT OF TRANSPORTATION, THE SECRETARY OF HEALTH AND REHABILITATIVE SERVICES, SECRETARY OF THE DEPARTMENT OF COMMUNITY AFFAIRS, COMMISSIONER OF EDUCATION, AN ELDERLY REPRESENTATIVE, A HANDICAPPED REPRESENTATIVE AND THE PRESIDENT OF THE FLORIDA ASSOCIATION OF COMMUNITY ACTION AGENCIES. THE COUNCIL WAS CREATED FOR THE PURPOSE OF FOSTERING TRANSPORTATION SERVICES TO THE TRANSPORTATION DISADVANTAGED. THIS COUNCIL, THROUGH ITS MEMBER DEPARTMENTS, DEVELOPS POLICY FOR IMPLEMENTATION BY THE MEMBER DEPARTMENTS TO ADEQUATELY PLAN FOR MORE ACCESSIBLE AND COST EFFICIENT TRANSPORTATION.

BEING LEGALLY BLIND MYSELF, I HAVE FIRST HAND KNOWLEDGE OF THE DIFFICULTIES ASSOCIATED WITH TRAVELING AND OBTAINING ACCESS TO EVERYDAY LIFE ACTIVITIES. HOWEVER, THERE ARE OTHERS WHO HAVE GREATER NEEDS THAN MYSELF AND WHO ARE UNABLE TO LIVE NORMAL LIVES BECAUSE OF A LACK OF TRANSPORTATION OR FINANCIAL RESOURCES.

THE STATE OF FLORIDA IS STRIVING TO PROVIDE MORE AVAILABLE AND COST EFFECTIVE TRANSPORTATION TO ITS IDENTIFIED 4.2 MILLION TRANSPORTATION DISADVANTAGED. WE ARE FORTUNATE IN OUR STATE TO HAVE LEGISLATION FOR COORDINATION OF ALL TRANSPORTATION FUNDS AND TO PLAN FOR OUR DISADVANTAGED CITIZENS. EVEN SO, WITH OUR ELDERLY POPULATION INCREASING AT A RATE 15,000 PERSONS A MONTH WE MUST LOOK AT PROVIDING MORE SERVICES IN THE FUTURE.

IN ORDER TO CONTINUE CURRENT SERVICES TO THE ELDERLY AND OTHER DISADVANTAGED, WE WOULD LIKE TO REQUEST THIS COMMITTEE'S SUPPORT ON THE FOLLOWING PRIORITY ISSUES:

FUNDING

1. SUPPORT REAUTHORIZATION OF THE SURFACE TRANSPORTATION ASSISTANCE ACT WITH FUNDING FOR TRANSIT PROGRAMS IN CURRENT OR INCREASED LEVELS.

   FURTHER, REQUEST THAT THE DISTRIBUTION FORMULA FOR THE SECTIONS (16)(B)(2), 9 AND 18 PROGRAMS BE MODIFIED TO BE MORE SENSITIVE TO THE STATE'S POPULATION GROWTH AND THE TRANSPORTATION DISADVANTAGED NEEDS. THIS WOULD BE OF EXTREME IMPORTANCE TO FLORIDA SINCE WE ARE THE 6TH LARGEST STATE IN POPULATION AND ARE ONE OF THE LARGEST STATES IN ELDERLY POPULATION.

2. SUPPORT REAUTHORIZATION AND CONTINUATION OF THE SECTION 9 AND 18 PROGRAMS, FUNDED SEPARATELY OUT OF THE GENERAL FUND AND OPPOSE THE CONSOLIDATION OF ALL TRANSIT PROGRAMS BEING FUNDED FROM MASS TRANSIT ACCOUNT OF THE HIGHWAY TRUST FUND (TRANSIT PENNY).

3. SUPPORT CONTINUATION OF PLANNING PROGRAMS AT THE FEDERAL LEVEL.

4. SUPPORT CURRENT LEVEL FUNDING IN THE MEDICAID PROGRAM WHICH IS CURRENTLY PROPOSED TO BE CUT IN FISCAL YEAR 87. MEDICAL TRANSPORTATION SERVICES WOULD BE CUT IF THIS OCCURRED THEREFORE AFFECTING MANY ELDERLY AND DISADVANTAGED CITIZENS.

COORDINATION

MANDATE THE CREATION OF A FEDERAL COORDINATING COUNCIL WHICH HAS BEEN DISCUSSED FOR YEARS AT THE FEDERAL LEVEL TO BRING TOGETHER ALL FUNDING AGENCIES TO DEVELOP POLICIES AND ELIMINATE BARRIERS TO PROVIDE FOR BETTER COORDINATION OF RESOURCES.

INSURANCE

INVESTIGATE AND ADDRESS THE CURRENT NATIONAL INSURANCE CRISIS. SKYROCKETING RATES OF 300% - 500% PREMIUM INCREASES

COULD RESULT IN DECREASED TRANSPORTATION SERVICES TO THE ELDERLY AND DISADVANTAGED.

SECTION 504

SUPPORT THE IMPLEMENTATION OF A FINAL 504 REGULATION THAT ADDRESSES ACCESSIBILITY AND COSTS TO ELDERLY AND HANDICAPPED PERSONS.

REHABILITATION ACT OF 1973

SUPPORT REAUTHORIZATION OF THE REHABILITATION ACT OF 1973 AT CURRENT LEVELS FOR AT LEAST FIVE YEARS WITH NO MAJOR CHANGES. IN ADDITION, DO NOT CHANGE THE CURRENT DEFINITION OF SEVERELY DISABLED WHICH COULD IMPACT THOSE PERSONS NEEDING TRANSPORTATION OR OTHER SERVICES.

COMMUNITY SERVICES BLOCK GRANT

SUPPORT CONTINUATION OF THE COMMUNITY SERVICES BLOCK GRANT. IF THESE PROGRAMS WERE ELIMINATED, THE LOW INCOME, ELDERLY AND OTHER DISADVANTAGED GROUPS WOULD NOT BE PROVIDED TRANSPORTATION SERVICES THOROUGH ANY OTHER EXISTING PROGRAM.

PRIVATIZATION

WE FULLY SUPPORT THE INVOLVEMENT OF THE PRIVATE SECTOR WHENEVER POSSIBLE IN MEETING TRANSPORTATION NEEDS. FEDERAL INCENTIVES SHOULD ENCOURAGE QUALITY, COST EFFECTIVE SERVICES BUT THE APPROPRIATE MIX OF PUBLIC AND PRIVATE RESOURCES SHOULD BE DETERMINED LOCALLY.

IN SUMMARY, WE MUST ALL REMEMBER THAT ADEQUATE, ACCESSIBLE, SAFE, AND AFFORDABLE TRANSPORTATION IS ESSENTIAL TO THE ECONOMIC HEALTH AND WELL BEING OF ALL OUR COMMUNITIES, LARGE AND SMALL, AND IS THE KEY TO MAINTAINING INDEPENDENT AND PRODUCTIVE LIVES FOR OUR TAX PAYING CITIZENS.

WE URGE CONGRESS TO REAFFIRM ITS COMMITMENT TO A NATIONAL TRANSPORTATION POLICY DESIGNED FOR ALL CITIZENS. THIS YEAR PUBLIC TRANSPORTATION IS CONFRONTED WITH SEVERE CUT BACKS REQUIRING CONGRESS TO ADDRESS ALL TRANSIT PRIORITIES AND FUNDING LEVELS SO THE ONES IN MOST NEED CAN CONTINUE TO BE SERVED.

THANK YOU FOR THE OPPORTUNITY TO SPEAK TODAY.

Ms. SNOWE. Thank you, Ms. Fix.

Mr. Rinaldo.

Mr. RINALDO. Yes. I'd like to ask one question of Mr. Goodman. Could you describe, if you will, for the record, what impact the urban mobility block grant proposal would have on elderly transportation programs funded by UMTA?

Mr. GOODMAN. I think that any efforts to block grant funds—and, as I said before, if the States are given enough flexibility, I think that's the key word here if you talk about block grants. If we get enough flexibility at the State level within broad categories to address the needs that we have—by that I mean, if the State of North Carolina Public Transportation Division is given the flexibility to target, to set priorities, within that block grant, if there is a certain amount of money set aside for mass transit—to give you a little background on North Carolina, we are what they call a "brick and mortar" State; we have a very extensive State-maintained highway system. If highway monies are included in there, I feel very strongly that our rural public transportation systems and specialized systems will become third or fourth priority down the list. Therefore, I think they will be hurt from it without some other assistance.

Our State legislature has not in the past, and I don't foresee them in the future, provided any operating assistance for public transportation in North Carolina. Consequently, our rural specialized systems that serve the elderly have had to kind of fend for themselves, using section 18, which I assume would become part of that block grant, used as the catalyst or the bond, and the Human Service Agency's funding has been kind of the component that has made up the rural systems.

We in essence have no rural public transportation systems in North Carolina. We have what I consider to be major urban systems, fixed route systems, in large cities of over 50,000 populations, and we have small urban systems that are in small cities, mirror-imaging the larger systems. The rural systems themselves are like a demand-responsive system that serves human service agencies. So I feel that they will probably be the systems that are the services that receive the lower priority if there weren't some safeguards within a block grant that would assure them some level of funding.

Mr. RINALDO. I understand. Thank you very much.

Does anyone else want to comment on that question?

Thank you very much.

Ms. SNOWE. Thank you.

Mr. Hart and Ms. Fix, both of you mention in your testimony about establishing a Federal Coordinating Council. Could you further elaborate on that, and who would comprise that council?

Ms. FIX. We use Florida's model. We would recommend that we include the Departments of Education, Health and Human Services, and Transportation. Those would be the three major Federal agencies.

I did forget to mention a priority that we had, and that's the fighting of any cutbacks of the community services block grants, because clearly that's a major issue for people who will not be able

to access transportation if those are cut, because many of the budgets are transportation-related.

Ms. SNOWE. Mr. Hart.

Mr. HART. In support of what she said, I would emphasize the benefits that we could receive from that. One would be that we would have adequate lines of communication established. When legislation is approved at the Federal level and the various departments have the responsibility of developing a policy and procedure within the context of that legislation, they can take from the front end consideration of the coordination concept, because a lot of the things that they are doing without addressing this or having this in mind are creating barriers for us and making it difficult for us to carry out our job with our State legislation.

For instance, one example: In the area of Medicaid, we went through a big discussion about whether or not Medicaid regulations prohibited them from paying for no-shows, and no-shows was quite a problem for our systems. That is, they say that they have to pay for the service; the service has to be delivered. We have in some cases maybe a vehicle going out three or four times to pick up a client, and the client is not in place, or the client is delaying the operation because the client wasn't quite ready, and that kind of thing.

Of course we have come up with some suggested ways of trying to deal with that, and that is, "Three strikes, and you're out; you're not eligible to call any more after the third time." But that's still a gray area, and these are things that could be addressed. Those agencies that Ms. Fix mentioned would coordinate on the front end when they are developing the policies and the procedures to implement the laws that are passed by the Federal Government.

Ms. SNOWE. Ms. Fix and Mr. Goodman, you were talking about changes in the distribution formula. Ms. Fix, specifically, you mentioned in your testimony the need to change the distribution formula to reflect more closely the growth in population. How often is the distribution formula updated, and how could we change that?

Ms. FIX. It has not been updated recently.

Ms. SNOWE. How often is the distribution formula for the urban mass transit assistance funds updated?

Mr. HART. I really can't answer that. I don't know.

Ms. SNOWE. Ms. Fix, didn't you mention in your testimony——

Ms. FIX. Yes; I did ask for that. I'm sorry I don't have the figures since I don't work with the Department of Transportation on that specific issue. We can certainly bring that figure back to you, but I did not bring that with me.

Ms. SNOWE. I guess I wasn't looking for a figure. I was thinking more of an explanation as to how it could be changed.

Ms. FIX. There are many, many ways in which we have suggested doing that. Again, since I'm speaking on behalf of the Coordinating Council, and the council has not taken a position, we will have to send that to you and then give the council recommendation on that.

[The following information was subsequently received:]

RECOMMENDED CHANGES TO DISTRIBUTION FORMULA FOR THE SECTIONS 16(b)(2), 9 AND 18 PROGRAMS

The current method of distribution for the Urban Mass Transportation Association (UMTA) funds is based on urbanized and non-urbanized populations.

Consideration should be given to the current method, however, other factors should be included. They are as follows:

1. Number of elderly over the age of 65, or arrive at an age which would not allow them to transport themselves.
2. Disability or handicap limiting work.
3. Disability or handicapped limiting use of public transportation.
4. Journey to work.
5. Total income.

All items are identified in the 1980 Census which is a document that could be used in every state and by the Federal Government.

The categories identified would help reach the most needy people who need and would use public transportation.

Mr. HART. I could make some comments on it.

Ms. SNOWE. Please do.

Mr. HART. Some funds are distributed by way of various type formulas. For instance, under section 18, population density and that type of thing, in some States they aren't utilizing their allocations, and funds are being left on the shelf, whereas in other States they are utilizing all of the allocation and have needs beyond that.

I said that I did not want to imply that you take funds from one State to give to another, but I think the whole concept of how you distribute that money should be reexamined, because if it hasn't been updated within a reasonable period of time, that could be outdated, and it might not be keeping up with the population shift.

Ms. SNOWE. Do you think the distribution formula should incorporate other variables?

Ms. FIX. Yes.

Mr. HART. Yes.

Ms. SNOWE. Could you just tell me what variables should be included?

Ms. BYMAN. Distance.

Mr. HART. Yes; but really, in terms of determining whether or not a transportation system is cost effective, the main indicator is the number of people that you put on the vehicle. In a rural area versus an urban area, the chances of putting a representative number of people on the vehicle to make the trip cost effective is a lot harder to do. That's why we're trying to come up with, as a result of the deficit, and there's going to be a deficit in the rural area because of the length of the trips and the order of destination. Most of the people in the rural area, they get service, they go to some urban area, maybe in excess of 50 miles away.

We are saying that taking that as a fact of life, there are going to be deficits. The going thing now to meet the deficit is section 18. We have a need for additional 18 if there's not an enhanced local commitment or if we don't come up with something at the State level.

Ms. FIX. The other issue that I think needs to be looked at as a variable is the higher cost of transporting the severely disabled, for example, in all of these areas. We're doing some cost accounting at this point, but there are different kinds of services needed with different populations, and that needs to be clearly articulated, and funds should be provided, in addition, for those special services.

Ms. SNOWE. Could the panel tell me—two of you represent Florida and the other North Carolina—to what extent are your States coordinating the funding and services of all the transportation programs?

Mr. GOODMAN. All the programs?

Ms. SNOWE. Yes.

Mr. GOODMAN. Including urban transportation fixed route systems?

Ms. SNOWE. Yes.

Mr. GOODMAN. I'd like to take their answer one step further and probably answer both questions.

Ms. SNOWE. OK.

Mr. GOODMAN. We receive approximately $3.3 million a year in section 18 money and have since 1978. We now have many, many more requests for those funds than the funds are available. Consequently, some systems which had been funded in the past are not getting funded now because there are other systems out there which can operate more efficiently and more effectively.

We have been struggling with this problem in North Carolina—how to get more money or how to meet the needs, basically.

One area that I have found untapped—and I'm talking from a human service standpoint and not from our Department of Transportation standpoint—is urban or direct Federal urban mass transit money. Presently in North Carolina, we have approximately $18 million just sitting there. It's money that has been made available to cities over 50,000 population to use to start a mass transit system if they choose to.

Consequently, we have two rather large cities who have private mass transit systems that are operated by a power company. We have three or four other cities who choose not to get involved in mass transit at all. Consequently, this money is available to them, but we can't really use it until it's time to revert it back. In past history, up until this year, all that money that was threatened to be reverted back has gone to large urban cities and not to rural areas where the need is.

I'm beating my own drum here, because we need it, but the urban systems need it too, to make their systems more attractive.

I guess my concern is that those buses in Charlotte are going to run every day whether there is somebody on there or not, whereas the elderly lady in Ashe County in the mountains, if her system stops and if the bus doesn't come by, she doesn't go.

We may have need for $4 to $5 million more a year to meet the section 18 demand or the demand in rural areas, but for some reason we can't touch that $18 million.

I think that if we could get that money channeled through the States, to allow the States to make a decision as to where that money is to be expended, and to kind of hold these urban systems' feet to the fire basically, and use some equity in the process of return on revenues—to give you an example, I, like Randy, am going out on a tangent right now, but this is something I have been fighting with them for, and we have a very good working relationship, and this is something that has just come up.

They want, in order to maximize section 18, to require the urban demand-response systems, human service type systems, to have all

their contractors pay for costs of their service basically. So, Council on Aging, however much it costs to transport your clients, you pay that full contract amount instead of being subsidized with 18 public transportation operating assistance money.

My question to them was: What is the return on investment from a human service agency? and they said the average is about 46 percent of the contract.

I asked, "What is the return on your small urban systems of section 18 funds?" They said 23 percent of their operating expenses is returned through fare boxes, whereas 46 percent of the contracts reimburse the operating expenses of the human service systems.

To me, that is gross inequity, because our systems who are actually doing a better job percentagewise are the ones that are being held to the fire and who really can't afford to pay it.

So there needs to be some equity built in somewhere, and we need to be able to—and I'm sure we're not alone, that this direct Federal urban money is out there and is sitting there, and it's either being channeled to other big cities or its being reverted back to the Federal Government. There needs to be something done with that.

Ms. SNOWE. I think you raise a very valid point, something that ought to be addressed.

Would you care to comment, Mr. Hart or Ms. Fix?

Mr. HART. Would you restate the question?

Ms. SNOWE. Yes. To what extent is your State of Florida coordinating funding of services and funding of transportation programs?

Ms. FIX. I'll give just an overview and let him finish.

We are coordinating the budgets through all identified Federal and State dollars as regards social service transportation. That includes JTPA funding, and we're identifying those sources; we continue to identify new sources and cost those in; health and rehabilitative services' budgets; the joint use, which he talked about earlier—schoolbus policy—which we include as reinforcement of social service transportation; and the monies in the community affairs block grant—community services block grants. We're in the process of identifying all of those dollars, including the title VI dollars.

Mr. HART. Intially, when the law was approved in 1979, we estimated that there were 800-some-odd social service type agencies in Florida trying to operate transportation, and we also estimated that there was somewhere between $30 to $50 million available.

The law required the Florida Department of Transportation to develop a 5-year transit and paratransit plan, and out of that plan they are to extract figures to come up with something called an annual element, and that document will identify all of the funds that are available to support transportation in the State of Florida by county. Each county is supposed to have a system. Some are multiple-county operated, but it was agreed on by the local officials that it would be that type of arrangement.

But we identify all of the available funds to support transportation by county in that document.

Ms. SNOWE. Just one more question, Ms. Fix. In your testimony you recommended maintaining the current definition of "severely disabled" as established under the Rehabilitation Act of 1973. Is there a proposal to change that definition, and who is proposing it?

Ms. FIX. Yes. There are some proposals through developmental services, in particular, in terms of what the role of that agency would be and whom they would serve as designated as "severely disabled." They're looking at the role of the agency—the agency I'm speaking of is Vocational Rehabilitation—to be more of a maintenance kind of an agency, not an employment type agency. They're looking for a more narrow definition of "severely disabled." There's a bill out, I'm trying to remember the name of the fellow that's got the bill. I remembered it a little while ago—Bartlett. That is addressing that change, and that would cut transportation services for these people now that are presently designated as "severely disabled" that would not fit that category were Bartlett's bill to be finalized and implemented.

Ms. SNOWE. Well, I thank you all very much for your presentations this afternoon and also for lending the State agencies' perspective. We appreciate the input that you have given us.

Certainly I hope that the Congress will address some of the issues that this panel has raised and some of the suggestions by all of the witnesses here this afternoon. I think the information you have provided has been valuable from our perspective.

So, again, thank you very much for your time, your effort, and your recommendations.

Ms. SNOWE. Next we will have the panel on the historical perspective and wrap-up: Ms. Helen Chap, who is a consumer representative and member of the board of directors of Stage Coach Transit, Bethel, VT; and Dr. William Bell, professor, Department of Urban and Regional Planning, Florida State University, from Tallahasee, FL.

We welcome both of you.

I know the hour is late. We appreciate your patience and your perserverence, and we're looking forward to your testimony and your recommendations.

Thank you.

PANEL FOUR: CONSISTING OF HELEN CHAP, CONSUMER REPRESENTATIVE AND MEMBER, BOARD OF DIRECTORS, STAGE COACH TRANSIT, BETHEL, VT; AND WILLIAM G. BELL, PROFESSOR, DEPARTMENT OF URBAN AND REGIONAL PLANNING, FLORIDA STATE UNIVERSITY, TALLAHASSEE, FL

STATEMENT OF HELEN CHAP

Ms. CHAP. Thank you. As you said, my name is Helen Chap. I'm a volunteer type person, retired type person. I have worked in the past as a paid employee and a developer of a transportation system.

I would like to comment that a lot of the programs that are defunct now, such as the funding for assisting people to help rural transportation that rural America has, has gone by the board. The VISTA workers who used to help originate and start-up programs have gone by the board. These are funding programs that did assist start-up programs.

One of my recommendations in my printed material is to form monies to allow start-up programs for a new program.

I do want to say that I was told to speak on how the Gramm-Rudman bill policy cut program will affect our transportation programs. Never having testified before, I took that quite literally. So the written report is speaking to how Gramm-Rudman will affect our local programs.

I have also been told in my oral report—this was going to be my oral report, but they said I can also speak off the cuff, so to speak. So I now am going to give you the full blast.

I have a last paragraph here. I once heard a speaker who said, "Keep your words soft and sweet, because you never know when you will have to eat them." That might be true, but I hope not to keep them too soft or too sweet.

So I'll just give you a background on Stage Coach. It's one of the programs that are very rural. It started with a 147-block grant. One of the sponsors was our Senator from the State of Vermont, Senator Leahy. This was a 3-year program which gave us a lot of leeway to experiment.

I've heard a lot of the people speak to this. They are hampered by mandates. They cannot change a law or a regulation to make it work for their system. We were fortunate in that we're a very rural area, and we have very limited regulations. So that helped us establish a successful system.

Our system—and we will be submitting the full text of our system to you—is a system that—Vermonters are very sort of careful. So they don't want that money—they watch you where you spend your money. They don't want you to waste it. So we have established a system that is sort of like a domino system. That is, we have tried to operate the vehicle at full capacity the 8 hours a day that it operates. We drop kindergarten children, day-care children; we pick up children going from the Rochester school to the vocational school, which is a number of miles away. This enabled the school to furnish programs to two different groups which, with their big 64-passenger bus, they couldn't furnish. So this will be all written up in the Stage Coach's report. But it's one of the ways that you can coordinate programs.

We serve the Orange County Mental Health with their day-care people, bring them in. It's mandated to take them out of the Waterbury Mental Health area to give them better programs. Then they stuck them out in the community, and then what do you do with them? Somebody has got to get them in from the outlying areas back into some town where they have services. Stage Coach does that. So that's one of the programs.

I would hope that you would read the ending paragraph there. I won't repeat the whole thing. I just want to say that I am a product, I believe, of my generation. My generation of people grew up with a lot of respect for the law. We equated the law with justice. This is not true any more. Justice has nothing to do with the law.

We equate a tremendous amount of programs, how people relate. We give them a lot of respect because of our early training. Now this is no longer true. We are beginning to judge and try to evaluate the performance of people. I think this is going to be very important and very crucial to what you do here. We will be watching you, in other words.

I have lots of questions. I don't understand Gramm-Rudman. I'm not sure but what this isn't a ploy to get a constitutional amendment through. I really think somebody is playing games with you up here. I really do. I see it happen; I get so frustrated. As a layperson, I go to these hearings; we spend our money, and we go, we take our time, and then they do an end run on us. You do that all the time, and you're playing games, you know. You've got a deal. And I'm speaking to people here who I think are very responsive to the transportation needs, but I'm hoping the word will get out to other people.

I'm just an ordinary person who has been involved and really rather stupid to keep involved. I guess it's my Irish background; you just get stubborn. But this is one of the things that I think you're going to come up short. Somebody is going to have to. If this country is going to go ahead at all, you've got to serve the people, and you've got to do it efficiently, and there are ways to do that. You can save money by running a sound system. Just in transportation alone, if you don't deadhead, if you keep your maintenance of your vehicles up, and if you utilize them to the best of your ability, you save money.

Stage Coach is 75 percent self-sufficient, because we contract, and it depends upon contracts with other programs which are in danger. All these social service programs are in danger. The Gramm-Rudman is really going to do a job.

I just wonder if you have this reference paper here. I refer to it in my paper. It would be something that would be very helpful for you to have.

I think my 5 minutes is up.

[The prepared statement of Ms. Chap follows:]

PREPARED STATEMENT OF HELEN CHAP, BETHEL, VT.

The Gramm-Rudman budget cuts will kill any future for rural public transportation in Vermont. For a statistical report on the effects of these cuts, I will refer to a report, prepared in part by the National Council on Senior Citizens, entitled, A State by State Program Analysis of Automatic Budget Cuts.

This report states that, measured on a percapita basis, the brunt of Gramm-Rudman cutbacks will be borne by smaller, less urbanized states Vermont is in this category, and because of its own financial difficulties, will not be able to respond to the gaps caused by these cuts. Particularly devastating to Vermont will be the disruption of the existing public transportation network, which is so vital to the state's elderly.

Gramm-Rudman will be toodestructive tooquickly. We cannot afford the loss of these systems, which have grown up in response to the private sector abandonment of public transportation. Once torn down, the efforts of the past 12-15 years that went into creating this elaborate network of social service and para-transit systems will not likely be repeated for a very long time. As the private sector has retreated from small town transportation, examplified over the last month with Grayhound's entire abandonment of its New England routes, compounded now with the death knell of publically supported systems, we are facing the loss of a key part of our nations transportation system. As to how the young, the handicapped, the low income, and the elderly will get around in our rural areas is not a question that can be ignored.

Rather than retreating from public transportation, now is the time to more fully embrace its positive benefits, as an essential link in inter-connecting our communities. I would therefore put the following recommendations in support of rural and small urban public transportation:

1) the creation of stable and predictable funding levels for transportation programs, at levels consistent with FY '86;

2) that an equitable percentage of funding be returned to rural and small urban areas, which domprise 50% of the national population but only receive 10% of UMTA funding;

3) that funding and legislation reflect a committment of encouraging new system start-ups, where areas are presently unserved; and

4) that an appropriate and recognized rural and small urban department be identified within UMTA, which would bring into one office information and expertise on all regulatory, financial, and technical aspects of rural and small urban transportation.

I once heard a speaker say, "Keep your words soft and sweet because you never know when you will have to eat them." Well, I am speaking for myself, so if I have to eat them, I will. Does not the Preamble of the Constitution talk about "for the people and by the people"? How can guns then come before services to the people? My generation is of the Depression era. We grew up knowing what it meant to share with those who had less. If politicians are not going to put people first, then the next logical step in reasoning is, "why do we need the expense of politicians?" As ours is mobile society, I say that right of mobility extends to everyone. We cannot be a nation that builds billions of dollars of highways, for our hundreds of millions of cars, and neglects how the young, the handicapped, the low income, and the elderly, in our rural and small urban areas are to get around.

Ms. SNOWE. Thank you very much, Ms. Chap, for your honest and refreshing testimony.

Dr. Bell.

STATEMENT OF WILLIAM G. BELL

Mr. BELL. Thank you, Madam Chairman.

I am fighting a cold, but I hope I can make myself understood.

I'm William G. Bell. I'm on the faculty of Florida State University. You may not remember me, but you'll probably remember Florida State University because it's the home of the new eminent scholar's chair, the Pepper eminent Scholar's Chair in Social Gerontology.

There has been some suggestion that the chair be called the Bell Pepper Chair, but I don't think that's going to fly.

I suppose, to use my 5 minutes, to follow the Blancato law which says that if you can't say it in 5 minutes, it probably isn't worth saying. I have not prepared a paper yet, but I do intend to do so. In the meantime, I have attempted to synthesize the recommendations I will put into the paper, and I've identified 10 from a national perspective that might be worth considering.

I'll try to deal with a few of them. I won't deal with all of them, because I don't think there's time to do that either at this late hour.

When I tried to equip myself for making this presentation, I made a substantial number of phone calls. My name isn't Bell for nothing. I use the telephone quite a bit. I found that there is really no hard information available. We're trying to measure the unmeasurable, because we really don't know yet or can anticipate the effect of Gramm-Rudman-Hollings on specialized transportation.

Therefore, my first recommendation is that somebody find out. It appears to me logical that the Congressional Research Service of the Library of Congress or the General Accounting Office be asked to take that kind of searching look, which I think they have done in other areas and done with a great deal of success.

I'd like to then suggest also that there be some effort to establish on a long-term basis some unit, and I'd call it, for purposes of identification, a national clearinghouse on specialized transportation, and that the Office of Technology and Planning Assistance at the Office of the Secretary of DOT be asked to examine how they could find the funds and to delegate a sponsor—I'm not suggesting the DOT do it, but I'm sure we could find an appropriate sponsor—which would then permit us to have an ongoing effort to amass data as it occurs, and it would then be a resource center not only for data itself and all the tools of communications that we have at our command but also to be a planning and technical resource for local transportation services.

I want to add as a gerontologist an important demurrer with the current effort that's being expended among some quarters to challenge the amount of money going to the elderly. I haven't heard anybody here challenge it, but there is a growing movement in the country to indicate that the elderly are, in many cases, do not need the kind of services now provided. Very often, the contrary argument is that there are more poor children than there are poor el-

derly, and therefore we have to shift our priorities. I think that is probably true, that there is that kind of development which has occurred, but I deplore the movement which has also occurred in scientific circles, in a current article in Science magazine, that poses it in those terms. I think we have to avoid that kind of trap.

I'd like to suggest further that any effort to attempt to meld national funding programs in a single block grant approach to States should be resisted in the interests of maintaining the integrity of current national funding programs.

I know that very often this overture is posed in terms of more flexibility for the States and localities, and that's a trade-off when this kind of program puts together a number of different programs into one major block.

In my view, it's not a trade-off, it's more of a rip-off, because I think very often the effort, along with the block grant, becomes a very severe reduction in the total dollar amounts used. Therefore, I would deplore that development as well.

I think the issue of privatization which has been raised in many quarters with regard to transportation developments and which the DOT is pushing today has to be approached with respect to specialized transportation with a great deal of caution. The returns are simply not in yet, and we don't know whether in fact this kind of proposal has merit or not. I would caution very much some slowing down of the effort to move in this direction.

The last point I want to make, which I think in some ways may be the most useful to consider, the most serious in many ways, is that I'm suggesting that there be fresh national legislation perhaps in the form of a specialized transportation equity bill or act which should be developed to stabilize gains made and future requirements and to legitimate specialized transportation services as part of a balanced national transportation system.

We are now made up of bits and pieces, and I think the time may have come for us to begin to pull together into one form an act which gives legitimation to the movement which has been building since 1970–71, and which now, I think, has achieved a great deal of status largely because so many people in this room are the kind of people they have been and the kind of effort they have generated and the kind of actual success stories which they have been able to produce.

It occurred to me, Mr. Blancato, that there is a phenomenon in Washington, I think, called the 6-year fever, or the 6-year itch. I read about it the other day. Are you familiar with that? It's that some people at this point may be ready to make some changes by reason of their 6-year tenure in Washington. I was hoping that we had arrived at a 16-year itch for Congressman Biaggi. After having generated that superb 1970 amendment, maybe he is ready to do another major act. I was hoping that he would in some way be prepared to consider the consolidation of a lot of prior work going back over the past 16 years into the Specialized Transportation Equity Act.

Thank you very much.

[The prepared statement of Mr. Bell follows:]

59-724 O - 86 - 5

PREPARED STATEMENT OF WILLIAM G. BELL, PROFESSOR, FLORIDA STATE UNIVERSITY, TALLAHASSEE, FL.

RECOMMENDATIONS FOR IMPROVING TRANSPORTATION FOR THE ELDERLY

1. The Congressional Research Service of the Library of Congress or the General Accounting Office should be asked to undertake a national analysis of the projected impact of Gramm-Rudman-Hollings legislation on mobility and transportation of elderly in the US.

2. Human service agencies at both national and state levels should be required to identify funds budgeted or spent on specialized transportation services as a seperate line item.

3. Non-UMTA programs at the federal level with a prior transporation component in their respective budgets should be required to assign a specific percentage of the overall budget, perhaps 10 to 20 percent to transportation services, depending on the program and clientele served by the program.

4. The Office of Technology and Planning Assistance, Office of the Secretary, US DOT should be asked to fund and designate a sponsor for a National Clearinghouse on Specialized Transportation whose functions would include serving as a data collection unit as well as a planning and technical resource for local transportation services.

5.The current strain in scarce human service funds, particularily at the national level, should not be permitted to be posed as a competition between services for the elderly and services for children.

6. Current levels of service in specialized transportation should be maintained in the current funding crisis by searching for more efficient use of public and private resources, supplemented by judicious use of volunteers in local service programs.

7. Attempts to meld national funding programs in a single block grant approach to states should be resisted in the interests of maintaining the integrity of current national funding programs.

8. The issue of privatization of specialized transportation services should be approached with caution by localities, until there is more hard evidence on the merits of this form of local sponsorship of transportation services.

9. A high priority for funding transportation services for elderly and handicapped persons in rural and small urban areas should be preserved by reason of the pressing social need and disadvantaged financial position of such groups.

10. National legislation, perhaps in the form of a Specialized Transportation Equity Act, should be developed to stabilize gains made and future requirements, and to legitimate specialized transport services as part of a balanced national transportation system.

Appendix I

February 1986 Vol. 4, No. 2

Rural Transportation REPORTER

A Publication Serving the Rural and Specialized Transit Industry

FY 1986 Funding, Urban Mass Transportation Administration
(in millions of dollars)

	FY 1985	FY 1986	Change
FORMULA GRANTS:			
Large Urbanized Areas [Sec. 9 (a) (2)]	$2,166.9	$1,819.5	-16.0%
Small Urbanized Areas [Sec. 9 (a) (1)]	211.6	177.8	-16.0%
Non-Urbanized Areas [Sec. 18]	71.8	60.3	-16.0%
DISCRETIONARY GRANTS:			
Capital Assistance [Sec. 3]	$1,040.0	$918.7	-11.7%
Planning [Sec. 8]	50.0	47.8	-4.5%
Elderly/Handicapped [Sec. 16 (b) (2)]	25.0	29.2	+16.8%
Innovative Techniques [Sec. 4 (i)]	5.0	4.8	-4.5%
RESEARCH, TRAINING AND HUMAN RESOURCES	$1.0	30.9*	-39.4%
UMTA ADMINISTRATION	$1.0	28.7	-7.4%

* Includes $14.2 million in funds deferred from prior years

FY 1986 Funding, Selected Non-UMTA Programs
(in millions of dollars)

	FY 1985	FY 1986	Change
Medicaid (Title XIX)	$21,845.5	$23,898.0	+9.4%
Revenue Sharing	4,566.7	4,089.0	-10.5%
Community Development Block Grants	3,472.0	2,990.3	-13.9%
Urban Development Action Grants (UDAG)	440.0	315.8	-28.2%
Social Services Block Grants (Title XX)	2,725.0	2,585.9	-5.2%
Head Start	1,075.1	1,040.1	-3.2%
Community Services Block Grant (CSBG)	372.1	354.1	-4.8%
Older Americans Act, Title III	668.9	640.1	-4.3%
Older Americans Act, Title V	326.0	312.0	-4.3%
Job Corps	604.5	612.5	+1.0%
Work Incentive Program (WIN)	266.8	210.5	-21.1%
Economic Development Administration (EDA)	228.5	192.4	-15.8%
Appalachian Regional Commission (ARC)	149.0	111.8	-25.0%

Ms. SNOWE. I want to thank you, Dr. Bell and Ms. Chap, for your testimony here this afternoon.

As far as Gramm-Rudman is concerned, I think there's no question that we are concerned about the impact in the long term, particularly if sequestration took place over the next 5 years.

Of course, as we all know, the automatic cuts are subject to a court challenge. So that final determination probably won't be made until the end of June. Hopefully, in the meantime, the Congress will establish its own budget priorities. I think that is the driving force behind the legislation, that we could avoid the automatic cuts in the event that they are upheld by the Supreme Court.

So it's possible and, frankly, I think with respect to these programs, very likely that the same funding level for 1986 will be maintained in 1987. It's also hopeful that Congress will establish its own budget priorities, pass its own budget on time and within the targets established by Gramm-Rudman, so that we can avoid the automatic cuts across the board that will take more from your programs. I think that's what it's all about.

Obviously you had to face cuts in 1986, and then, of course, we had additional cuts beyond that because of the sequestration for 1986 that was triggered on March 1. But it's very possible that your programs will maintain the same funding level in 1987.

So often, as I've been meeting with groups from Maine, everybody responds to the possibilities of automatic cuts taking place in 1987, 1988, and 1989. That's what we're trying to avoid in Congress because we have not had, frankly, very much success in passing effective budgets the last few years to deal with the deficit issue. Gramm-Rudman provides leverage to force Congress to deal with the issue, make some tough decisions, and create the priorities to support programs like the ones that all of you have been addressing here today.

I know also if we were to schedule automatic cuts for 1987, because Congress did not follow through on its obligation to reduce the deficit by a certain amount, the cumulative effect—you're right—on your programs will be troublesome; there's no question. It could be 10, 12 percent, or more, and then all the other cuts from other programs upon which you depend for your funding also will be cut, and that obviously has a greater impact on your source of funding.

Ms. Chap, I want to ask you, to what extent does the State of Vermont support transportation services? Is it a high priority for Vermont?

Ms. CHAP. Ha!

Mr. BELL. You got your answer, didn't you?

Ms. CHAP. Oh, it did. He said it just changed yesterday.

Ms. SNOWE. The priority?

Ms. CHAP. Well, we've been working a long time. I think we have to prove it, though. They're nice people most of the time, but you just have to chew away at them; that's all. You have to prove where you put your money with Vermonters.

I did want to say I think we can qualify for more land than any of your States. All we have to do is pound out our mountains.

There's one more thing I did want to say, and that is that I've heard a lot of people say that we can be dependent upon volunteer services. An awful lot of people are saying this. This is really a fallacy.

You take the State of Vermont. It's in a state of flux. It's changing from an agricultural society to I don't know what, but it's vastly changing. People used to live on their farm, they lived in their community, they got most everything right around them, but we've had our local doctors go, they've moved to centralized spots 90 miles away. We used to have breadmen, milkmen, and all these service people come to our door; they no longer do it.

Our transportation people—Greyhound has quit New England—all of New England; it's just not giving service there any more. The Vermont Transit has quit running their runs up and down. We used to have two complete trips a day by our highway. They no longer look at us. They're only running one way; one a day, they run one way, and the next day they'll run the other way, back again. So that means whoever is going that way has to stay overnight someplace.

The private sector is not stepping in, they're stepping out. A lot of people will say let the private sector come in. Well, it just doesn't want to do it. That's what I really wanted to say. Thank you for listening.

Ms. SNOWE. Thank you.

Dr. Bell, do you think the data is necessary before we attempt to restructure the transportation programs and to create a more targeted effort?

Mr. BELL. I mised the first part. What was the first part?

Ms. SNOWE. Do you think it would be necessary to have the data?

Mr. BELL. Yes.

Ms. SNOWE. You were mentioning that more research is required, and I agree with you. Do you think before we restructure the program that we need to have that data?

Mr. BELL. From my biased point of view, that data is the basis of planning. I think we have a lot of views and opinions. Some are very good, and I don't disdain them, but I think we have to have hard data to supplement the kind of sentiment we hold.

We have made some inroads simply by politicizing and working away at our priorities, but I do think we have to have the hard data to support the position we take.

Ms. SNOWE. A number of recommendations were made today by various panelists. Has anything been mentioned as far as you are concerned that you disagree with or you very much agree with?

Mr. BELL. I think Peggy Williams raised the most controversial issue. At one time I held her position that transportation monies should be in transportation hands. If you reversed it, for example, if you had social services being considered of for the elderly, would you want that in transportation hands? The answer is, "Probably not."

But I think I've changed my view some, and I think we ought to look carefully at that suggestion. I'm not sure it would work if you were to try to amass all the transportation funds in one center, one particular pool, whether it would enlarge the source of money. My guess is that it probably would not.

I make one recommendation here which I didn't choose to read, which has to do with transportation services in human service agencies. I think two things: One, they ought to have a single line item which identifies it, because it becomes such an important component of gaining access to services, and that's been verified. The second is that there ought to be a way to insist that—let me see how I said it—that there ought to be a percentage, is what I suggested, of certain programs.

A GAO report several years ago indicated there was a very large number of programs which have transportation elements in them. I think somewhere around 156 or something of that order.

Ms. SNOWE. 126?

Mr. BELL. No; I think it was larger—126?

Mr. BLANCATO. 126.

Mr. BELL. 126? OK. That's fine. I'll buy that.

It seems to me there ought to be some way in which there can be a percentage of those programs allocated to transportation services. I suggested somewhere between 10 and 20 percent, depending upon the nature of that program and the kind of clientele they serve.

I don't know that any program goes as high as 20. It's hard to tell any way in particular. I once tried to find out from AOA how much money was spent on transportation in the title III program 8 years after the programs were over, and I couldn't find that. They wait for the results to come in. When they come in, they're very unclear, they're fuzzy, they're inaccurate, they're untrustworthy, and we don't know.

I agree with Peggy in a sense when she said that you have to have some handle on what's going to happen to plan appropriately. Otherwise, you're running around without any planning tools. When suddenly you get word that you're going to get cut *x* percent, you don't have any way to adjust except in a very chaotic or crisis fashion. I think that's unfortunate for people like her and others who are working on AAA's.

Ms. SNOWE. I thank you, and I appreciate the recommendations that you've made here. I think they're very valuable to this committee as well as the Congress. I think that all of the panelists here today have made some excellent suggestions of ways in which we can improve the programs so that they can better serve the populations we're intending to address.

So thank you, Dr. Bell and Ms. Chap. Thank you very much, and thank you for your patience.

Ms. CHAP. Thank you for not falling asleep on us.

Ms. SNOWE. How could I fall asleep?

Thank you.

Is there a Betty Green present?

Yes.

I understand that you have letters from the elderly riders and would like to present them to the members of the committee.

Ms. GREEN. Yes.

Ms. SNOWE. From the State of Illinois?

Ms. GREEN. Yes. From southern Illinois.

Ms. SNOWE. From southern Illinois.

STATEMENT OF BETTY GREEN, DIRECTOR, RIDES TRANSPORTATION, SOUTHERN ILLINOIS

Ms. GREEN. My name is Betty Green, and I will be presenting written testimony, but I want to just comment on a few of the letters, if you would give me time.

These were written when our riders began to fear that they were going to lose their transportation, and this is just excerpts from their letters.

Mrs. Miller, age 76, writes,

I live alone, have no one to take me anywhere for medicine, bank, or shopping. My feet and legs are crippled from age and poor circulation, and even if I had a car and could still drive, getting to and from a parked car would be a real problem.

Mrs. Tapley, age 69:

I've had a stroke and can't get around well. My left hand and arm and left leg are affected. I would not be able to go anywhere if we did not have the bus and the drivers helping me so I would not fall. This is the only recreation I have.

Mrs. Phillips, age 77, lives alone on the south edge of town with no transportation to the business district:

I'm not physically able to work, so the bus takes me to the doctor, bank, and nutrition center. A taxi charges $3 for the shortest trip and $3 back home. Six dollars is a big price to pay for us on a tight budget.

Mrs. Dunning, age 61:

I'm a VIP, a very inconvenienced person. I am legally blind and a diabetic. I use the bus to remain independent. I go to the nutrition center, doctor's office, store, post office to return Talking Books. I would be much more dependent on others without the bus.

Mrs. Singer, age 77, writes,

When was the last time you had to ask a friend or a neighbor or relative to take time to drive you to the doctor, round-trip 32 miles, waiting time indefinite? It often does not fit in with their plans for the day. I guess to sum it all up, with the bus, I am an independent person; without the bus, I would be at the mercy of friends and relatives to do even the most simple errands.

Mr. Farrell, age 80:

My wife is dead, and I live alone. My home is located too far out for me to walk to town. I use the bus to get groceries, haircut, trips to the laundromat, dentist, and all my other needs. If we didn't have the bus, I would have to leave my home, and we who have done a lot of living in our house call it a home. Some old folks have been relocated and didn't live long. It is difficult for us to adjust to new surroundings.

Mrs. Reifers, age 70:

I am handicapped and in a wheelchair. It would be difficult for me to go to the doctor if it wasn't for the lift on the Rides bus. I am not able to get in and out of a car as I have no use of my legs.

This goes on. We have over 100 letters here.

I just want to say, we are a coordinated system; we're a section 18 program. We provide service to everyone, but I've found that providing a good service to everyone really gives the elderly a better service.

[The prepared statement of Ms. Green follows:]

Testimony of:
Betty S. Green, Director
RIDES Transportation

SENIOR TRANSPORTATION

March 12, [redacted] 1986

I have been directly involved in senior transportation since 1974, first as a bookkeeper of a III B nutrition and social service program and since 1977, as director of the RIDES Transportation Project.

I have seen first hand the varied transportation needs of the elderly. The RIDES Program operates in Pope, Hardin, Gallatin and Saline counties in extreme southern Illinois. Total population of the four counties is 44,000. One of our counties has a population of only 4,100 and the largest town is 900. In fact, the largest town in our four county service area is 10,000, so I do have a first hand knowledge of the elderly who live in rural America and their transportation needs. I have also discovered their needs are not much different from others living in rural areas, especially the economically disadvantaged.

We read of the beauties of rural countrysides and the simplicity of life styles, clean air, free from pollution generated by industry, and space

to breathe. I agree, having lived in this type of setting for all but five years of my life, the advantages are many and for those of us who are 'country' we appreciate these features.

In spite of the advantages we have just described, they become disadvantages to the elderly. Wide open spaces become isolation; the beauties of a rural countryside become a deterrent to mobility; simplicity of life styles could mean being thirty miles from the nearest medical facilities or ten to fifteen miles from grocery stores.

When we speak of senior transportation, perhaps we visualize a pleasure bus that takes a few elderly ladies to play bridge or to go to club meetings. That is not the type of transportation I am talking about.

Perhaps our riders can say it much better than I can.

Mrs. Miller, age 76, writes, "I live alone and have no one to take me anywhere, for medicine, bank or shopping. My feet and legs are crippled from age and poor circulation and even if I had a car and could still drive, getting to and from a parked car would be a real problem."

Mrs. Tapley, age 69, "I have had a stroke and can't get around well. My left hand and arm and left leg are affected. I would not be able to go anywhere if we did not have the bus and the drivers helping me so I will not fall. This is the only recreation I have."

Mrs. Phillips, age 77, lives alone in the south edge of town with no transportation to the business district. "I am not physically able to walk so the bus takes me to the doctor, bank, and nutrition center. A taxi charges $3.00 for the shortest trip and $3.00 back home, $6.00 is a big price to pay for us on a tight budget."

Mrs. Dunning, age 61, "I am a V.I.P. (very inconvenienced person) I am legally blind and a diabetic. I use the bus to remain independent. I go to the nutrition center, doctor's office, store, post office to return talking books. I would be much more dependent on others without the bus."

Mrs. Singer, 77, writes, "When was the last time you had to ask a friend, neighbor, or relative to take time to drive you to the doctor, round trip 32 miles, waiting time indefinite? It often does not fit in with their plans for the day. I guess to sum it all up, with the bus I am an independent person, without the bus I would be at the mercy of friends and relatives to do even the most simple errands."

Mr. Ferrell, age 80, "My wife is dead and I live alone. My home is located too far out for me to walk into town. I use the bus to get groceries, hair cuts, trips to the laundramat, dentist, and all my other needs. If we didn't have the bus, I would have to leave my home and we who have done a lot of living in our house, find that it is home. Some old folks have been relocated and didn't live long. It is difficult for us to adjust to new surroundings."

Ms. Reifers, age 70, - "I am handicapped and in a wheelchair. It would be difficult for me to go to the doctor if it wasn't for the lift on the RIDES bus. I am not able to get in and out of a car as I have no use of my legs."

Mrs. Wise, age 78, "I am a widow. I used to be able to walk to town but because of health problems I no longer can do this. I don't drive and my children no longer live nearby. I am dependent on the bus for doing all of my errands. It will certainly prove a hardship to me and many others if bus service is discontinued."

Mrs. Walters, age 69, " My husband has been confined to a nursing home for about six months and I do not drive."

Mrs. Tooley, age 72, "My husband, who is 85, and I live seventeen miles from Golconda. My husband is ill and unable to be out much. I use the bus almost daily to do my grocery shopping, banking and other necessary errands."

Mr. & Mrs. Randolph, "My husband is 90 and I am 81. We depend on the bus to take us not only to the nutrition center, but to buy groceries, banking, doctor and to pay bills."

These are only a few of the many letters we have received from our riders who fear the budget cuts will take away the only existing means of transportation for them.

RIDES is a public transportation project funded through Section 18 of the Surface Transportation Act. Seventy per cent (70%) of our

riders are elderly and fifty-five per cent (55%) are disabled.

We are currently providing most of the transportation service for the social service agencies in our four counties. We are a very coordinated system, reserving the right to mix clients whenever it is possible. Because we are a Section 18 Program, there is no restriction on our trip purpose and riders. Ten per cent (10%) of our trips are for employment. Out of these trips, seventy-five per cent (75%) of the riders are older workers who could not work outside their homes without available transportation. About fifty per cent (50%) of our general public riders are elderly.

I feel strongly that if we are to provide adequate transportation for seniors, we must consider coordinated systems. Funding to agencies for the purpose of transporting their clients only, is not only costly, but falls far short of meeting the needs of the elderly population. I have seen many elderly fall between the cracks of particular agency guidelines and be unable to take advantage of an existing transportation service.

We have proven that coordinated systems not only serve the elderly well, they fill a void and provide a much needed service in rural areas. Yes, the seniors have a great need for transportation and that can best be provided, especially in rural areas, by funding public transportation systems. We are not only meeting the transportation needs of the elderly, but the same dollars are meeting the needs of all the people.

Ms. SNOWE. I appreciate it. Thank you very much.

[The letters submitted by Ms. Green have been retained in committee files, and may be viewed upon request.]

Ms. SNOWE. Thank you. We appreciate it and thank all of you. The hearing stands adjourned.

[Whereupon, at 5:25 p.m., the hearing was adjourned.]

APPENDIX

MINNESOTA DEPARTMENT OF TRANSPORTATION

TRANSIT PROGRAM

MARCH, 1985

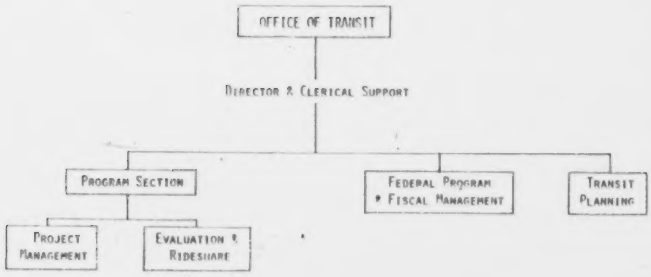
TRANSIT

PURPOSE: DEVELOP AND MANAGE A STATEWIDE PUBLIC TRANSIT ASSISTANCE PROGRAM

ACTIVITIES:
- APPROVE TRANSIT ASSISTANCE APPLICATIONS
- NEGOTIATE AND ADMINISTER CONTRACTS
- MANAGE FEDERAL, STATE AND LOCAL FUNDING
- PROVIDE TECHNICAL ASSISTANCE FOR LOCAL PROGRAMS
- EVALUATE SYSTEM COSTS AND PERFORMANCE
- DIRECT GREATER MINNESOTA RIDESHARE PROGRAMS

ACCOMPLISHMENTS F.Y. 1984:
- NEGOTIATED 71 CONTRACTS
- ASSISTED 22 RIDESHARE PROGRAMS
- PUBLISHED TRANSIT FACT BOOK
- EVALUATED METRO MOBILITY
- ESTABLISHED ELIGIBILITY CRITERIA FOR METRO MOBILITY
- ESTABLISHED SYSTEM PERFORMANCE OBJECTIVES
- SUPPORTED THE FORMATION OF THE REGIONAL TRANSIT BOARD

OPPORTUNITIES:
- DEVELOP REPLACEMENT STRATEGY FOR TRANSIT VEHICLES
- INCREASE LOCAL INVOLVEMENT IN RIDESHARE PROGRAMS
- MANAGE FUTURE FEDERAL FUNDING
- DEVELOP ALTERNATIVES FOR INTERCITY PASSENGER SERVICE
- SUPPORT TRANSIT DEVELOPMENT FOR THE METRO AREA
- CONTINUE CLOSE WORKING RELATIONSHIP WITH REGIONAL TRANSIT BOARD



MN/DOT TRANSIT PROGRAM

71 CONTRACTS ---- 57 LOCAL TRANSIT SYSTEMS
FOR TRANSIT FUNDING ASSISTANCE IN C.Y. 1984

FEDERAL FUNDING	$ 12.3 MILLION
MN/DOT STATE FUNDING	$ 22.2 MILLION
LOCAL SHARE	$ 44.9 MILLION
FARE BOX REVENUES	$ 40.9 MILLION
TOTAL OPERATING COST	$120.3 MILLION

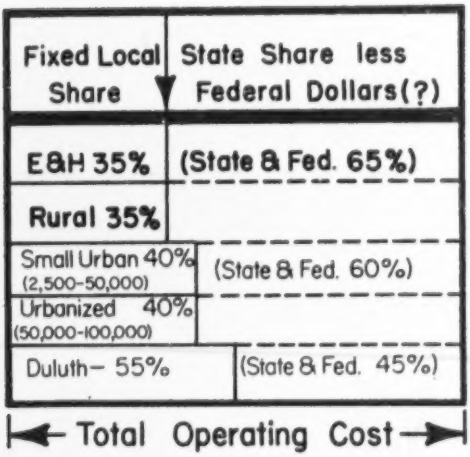
37.8 MILLION SYSTEM MILES OF TRANSIT SERVICE

84.8 MILLION ANNUAL TRANSIT SYSTEM PASSENGERS

MINNESOTA PUBLIC TRANSIT BUDGET
C.Y. 1984
(MILLIONS OF DOLLARS)

BUDGET ACTIVITY	# OF CONTRACTS	TOTAL COST 1984
NON-METRO	45	$ 13.7
MTC & OPT-OUT	4	$ 98.5
PRIVATE OPERATORS	2	$ 1.5
METRO MOBILITY	10	$ 5.4
METRO NON-MTC	10	$ 1.2
	71	$120.3

Fixed Local Share



PERFORMANCE EVALUATION PROCESS

- ESTABLISHED IN 1983
- PROGRAM MANAGEMENT TOOL
- GENERATES "PEER" GROUP COMPARISONS
- ANNUAL CONTRACTS ESTABLISHED WITH LOCAL GOALS & OBJECTIVES
- ASSISTANCE PROVIDED TO YIELD BETTER PERFORMANCE
- MEASURES

COST EFFICIENCY	SERVICE EFFECTIVENESS
HOURS PER EMPLOYEE	PASSENGERS PER MILE
MILES PER VEHICLE	HOURS TO POPULATION
COST PER MILE	REVENUE TO SUBSIDY

COST EFFECTIVENESS

COST PER PASSENGER
REVENUE TO COST

GREATER MINNESOTA SYSTEMS
(DOLLARS EQUAL F.Y. 86/87 FUND REQUEST)
PEER GROUP CATEGORIES

5 - URBANIZED (REGULAR ROUTE & SPECIALIZED SERVICE) $8,600,000

- DULUTH*
- MOORHEAD*
- ST. CLOUD*
- ROCHESTER*
- EAST GRAND FORKS

16 - RURAL $1,800,000

- APPLETON
- AEOA
- BIG STONE COUNTY
- CHISAGO COUNTY
- CLEARWATER COUNTY
- COTTONWOOD COUNTY
- LAKE OF THE WOODS
- LEECH LAKE
- LINCOLN COUNTY
- MAHUBE
- PELICAN RAPIDS
- PINE RIVER
- SHERBURNE COUNTY
- TRI-CAP
- TRI-VALLEY
- UPSALA

20 - SMALL URBAN $1,500,000

- ALBERT LEA
- BEMIDJI
- BENSON
- BRAINERD
- CLOQUET
- FAIRMONT
- FARIBAULT
- HIBBING
- HUTCHINSON
- LESUEUR
- MANKATO
- MARSHALL
- MONTEVIDEO
- MORRIS
- NORTHFIELD
- PIPESTONE
- RED WING
- VIRGINIA
- WILLMAR
- WINONA

* EACH HAS TWO CONTRACTS, ONE FOR REGULAR ROUTE SERVICE, ONE FOR SPECIALIZED SERVICE FOR ELDERLY AND PHYSICALLY DISABLED.

TRANSIT PROGRAM SERVICE CATEGORIES

-- GREATER MINNESOTA TRANSIT ASSISTANCE - MN/DOT

  -- LARGE URBANIZED

  -- URBANIZED

  -- SPECIALIZED SERVICES - ELDERLY & HANDICAPPED

  -- SMALL URBAN AND RURAL

-- METROPOLITAN TRANSIT ASSISTANCE - RTB

  -- MTC

  -- PRIVATE OPERATORS

  -- METRO MOBILITY

  -- SMALL URBAN AND RURAL

GREATER MINNESOTA TRANSIT BUDGET

Process	F.Y. 86	F.Y. 87
Governor's Recommendation	$7766.6	$7742.3
Less Federal & Local	- 2620.8	- 2384.9
Difference	5145.8	5377.4
Less MVET Available	- 2184.3	- 2442.6
Balance From General Fund	$2961.5	$2934.8

OUTSTATE TRANSIT NEEDS
F.Y. 1986-1987

-- Vehicle Replacement

-- Vehicle Rehabilitation

-- New Service

-- Expansion of Existing Service

-- Federal Cutback Replacement

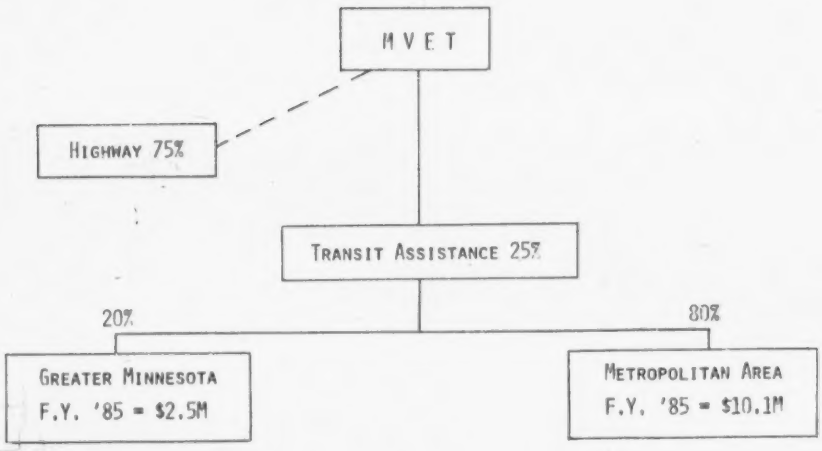
-- Compliance with Human Rights Act and other mobility needs

-- Technical Assistance Training

-- Intercity Bus Demonstration

-- Feasibility Study(s)

TRANSIT ASSISTANCE FUND



M V E T FUNDS

	F.Y. 1986/1987
Agency Request	$64,957.6
Governor's Recommendations	$46,930.6
MVET -- Existing Phase	$27,727.0
MVET -- Acceleration (7/1/85)	$54,645.3

FEDERAL ADMINISTRATION F.Y. 1986 BUDGET PROPOSAL

-- $4.1 Billion to $1.4

-- Terminate Section 3

-- Gas Tax for Section 9 Program (Capital Only)

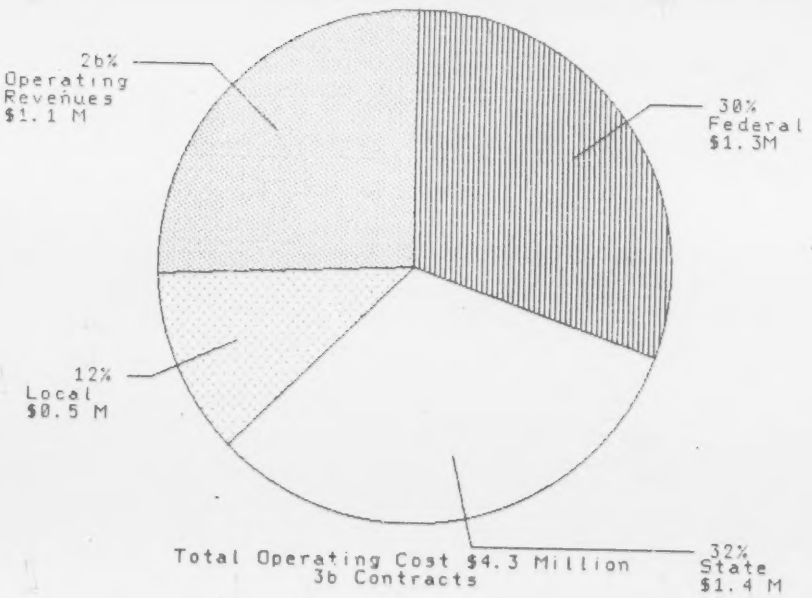
-- Terminate Interstate Transfer Program for Transit

-- Close UMTA Field Offices

PROPOSED FEDERAL F.Y. 1986 TRANSIT BUDGET AND MINNESOTA IMPACTS

UMTA	Program	Minnesota F.F.Y. 85 Funds	Reagan Proposals F.F.Y. 86	Minnesota F.F.Y. 86 Funds	Minnesota Impacts
Sec. 3	Capital (Discretionary)	$6-8 Million	Gone	-0-	- $ 6-8
Sec. 9	Capital & Operating Urbanized	$22.0	- 55% (Capital Only)	$ 9.90	- $12.10
Sec. 18	Capital and Operating Non-Urbanized	$ 1.63	- 55% (Capital Only)	$ 0.73	- $ 0.90
Sec. 16(b)(2)	Capital Only Non Profits	$ .05	Gone	-0-	- $ 0.05
		$30.08-32.08		$10.63	$19.45 - 21.45 Minus

1984 GREATER MINNESOTA PUBLIC TRANSIT
RURAL & SMALL URBAN SYSTEMS
TOTAL OPERATING COSTS
Percent by Fund Source



Total Operating Cost $4.3 Million
36 Contracts

Equity in Transportation:

Facts and Issues

MARCH 1986

RURAL AMERICA
1312 18th Street, NW
Washington, DC 20036
(202) 659-2800

For purposes of this report, the following definitions apply:

Rural, nonurbanized areas: Population of 50,000 or less.

Small cities, small urbanized areas: Population between 50,000 and 200,000.

Large cities, urbanized areas: Population of 200,000 or more.

Communities Depend on Transportation

The well-being of every rural community and small town in America depends heavily on the mobility of its citizens, just as it does in big cities.

- **Workers need to get to work**
- **Sick people need to get to doctors**
- **Shoppers need to get to stores**
- **Elderly people need to get to nutrition sites and senior services**
- **Poor people need to get to food stamp centers, unemployment offices and training sites**

Population

- 49% of Americans live in small cities and rural areas.
- Of these, 12% are 65 or older, and 3% of the non-elderly are seriously handicapped.

	TOTAL POPULATION	% ELDERLY	% NON-ELDERLY HANDICAPPED	% ELDERLY & HANDICAPPED
LARGE URBANIZED AREAS	115.6 million	10.9%	2.6%	13.5%
SMALL URBANIZED AREAS	23.5 million	11.1%	2.6%	13.7%
NONURBANIZED AREAS	87.4 million	12.3%	3.1%	15.4%
TOTAL	226.5 million	11.5%	2.8%	14.2%

Automobile Ownership

- In rural areas where Americans are the most isolated, 2.5 million families, or 9% of the households, don't own cars.
- Of those rural households that do own automobiles, 10.2 million, or 34%, own only one.

Automobile Ownership
Nonurbanized Areas
(under 50,000 population)

Number of Households with No Car	Number of Households with One Car
2.5 million	10.2 million

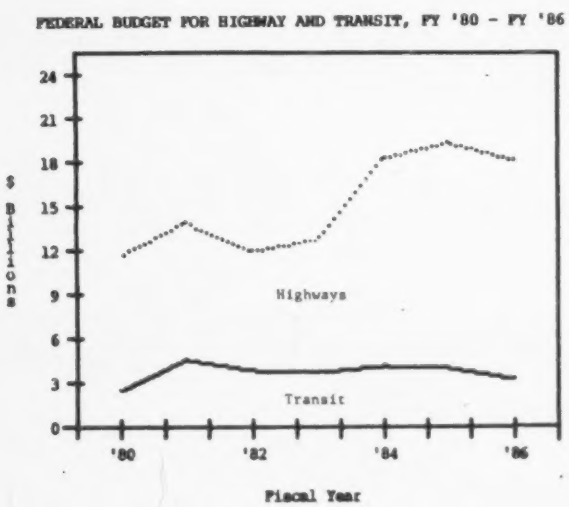
Per Capita Funding

- UMTA funding for large urbanized areas is $28 per capita.
- For small cities, it is $12 per capita.
- In rural areas, it is only $1 per capita.

	POPULATION	FUNDING	FUNDING PER CAPITA
Large Urbanized Areas	115.6 million	$3,244.7 million	$28
Small Urbanized Areas	23.5 million	$ 229.2 million	$12
Nonurbanized Areas	87.4 million	$ 95.6 million	$ 1

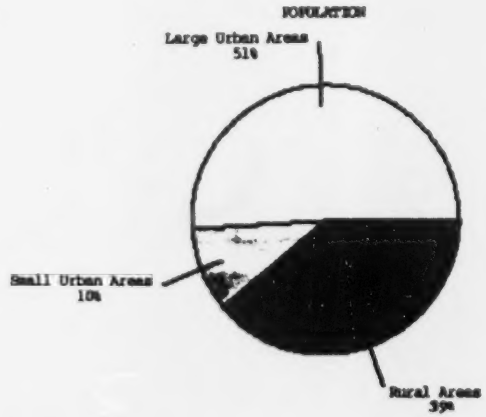
Highway vs. Transit Funding

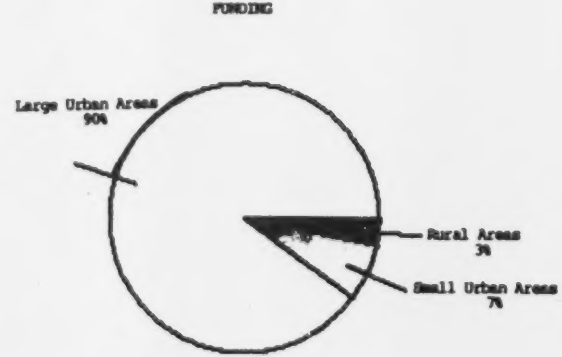
While federal highway funds have increased by 58% over the past four years, funding for transit has decreased by 27%



Mass Transit Funds

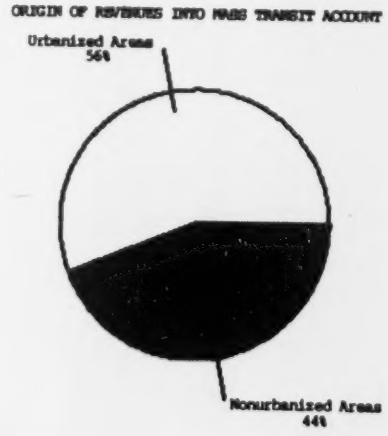
- Current Federal Transit Assistance totals $3.6 billion.
- Rural and small urban areas combined represent 49% of the nation's population and receive only 10% of these mass transit funds.
- Rural areas account for 39% of the population and get less than 3% of the funds.
- Large urban areas account for 51% of the population, and receive 90% of the funds.

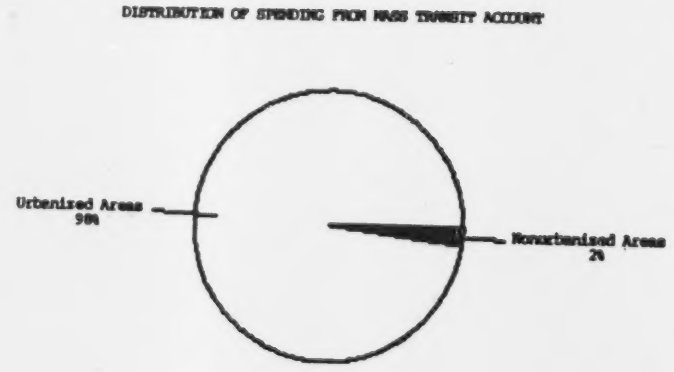




Gasoline Taxes

- The Mass Transit Account funds are derived from a federal tax on motor fuels.
- Rural motorists account for 44% of all gasoline purchases.
- Rural areas receive only 2% of Mass Transit Account funds.





Senior Services of Snohomish County
3402 112th S. W. - Everett, WA 98204 355-1112/745-1112

March 18, 1986

The Honorable Mario Biaggi, M.C.
Select Committee on Aging
Subcommittee on Human Services
716 House Office Building Annex 1
Washington, DC 20515

Dear Congressman Biaggi:

As a provider of special transportation services for the elderly and disabled I welcome the opportunity to provide input into the deliberations of the House Subcommittee on Human Services. I'm truly sorry that agency funding did not permit me to accept your invitation to participate in person.

In response to the first concern noted in your letter, namely the impact of Gramm-Rudman-Hollings on existing transportation program I offer the following:

1. The most immediate impact of the Act has been that state funds allocated to us are being reduced to be used elsewhere to compensate for reductions in federal funds imposed by the Act.

2. The second affect has been has been a delay in receiving UMTA Section 18 Funds followed by an award of funds for only six months of FY-86. The availability of the balance is, at this point, unknown. As a result rural elderly and disabled have no way of knowing if they will be able to obtain transportation for essential services e.g. food shopping, medical services, work or college later in the year.

3. Since we also receive UMTA Section 9 operating assistance through a contract with a public transit entity, we do not know, at this time, what the impact will be. It's possible the public transit system may absorb the reduction rather than pass it on to us.

4. We depend upon UMTA Section 16(b)(2) funds for capital assistance in acquiring vehicles. The reduction in 16(b)(2) funds will result in running vehicles many more miles before replacement, increased maintenance costs, increased operating costs for fuel and oil and adversely affect vehicle safety.

The above are the effects of Gramm-Rudman-Hollings funding reductions that we can clearly discern. The future impact is cloudy, at best.

I would strongly recommend that Congress address the issue of long term funding for elderly and handicapped transportation.

It is clearly demonstrable that non-institutional living and care arrangements are far less costly than institutional care for the elderly and disabled. Given this fact, Congress should invest in supporting special transportation services which assist in maintaining the elderly and disabled in non-institutional living settings.

Transportation services, especially those which are a part of a larger service delivery system, take advantage of the network of services available through the larger system. Even more importantly, the operating philosophy of special transportation systems is geared to dealing with persons with problems. Public transit systems and private-for-profit operators have traditionally been reluctant to provide this level of service. The point is that special transportation services facilitate and enhance the ability of the nations' elderly and disabled to remain in non-institutional settings for a longer period of time.

Another issue concerns the rapidly rising cost of insurance. I'm not qualified to debate the merits of the increases. However, adoption of safety standards for special transportation vehicles including wheelchair lifts, wheelchair and passenger securement systems would be beneficial. Similarly, training standards for vehicle operators should accompany vehicular and equipment standards. The effect of both should result in fewer accidents and liability claims which would have a positive impact on insurance costs. An alternative means of controlling insurance costs, one which contradicts the purposes of special transportation, is to limit service curb-to-curb, tighten the functional requirements for eligibility to eiiminate the more vulnerable persons i.e. those who need physical assistance and impose other constraints, to reduce system liability exposure.

A parallel effort to vehicular standards and driver training standards is the development of national standards for special transportation systems be they private non-profit or for-profit. National concensus standards, developed through an organization such as the National Association for Special Transportation Alternatives (NASTA), could be a positive influence on improving the management and operations of special transportation systems. One such effort has already began in Washington State.

I would like to include as a part of this written statement to the Committee the attached response to UMTA's proposed Guidelines for Private Sector Participation. Our response appears relevant to the concerns of the Committee.

In conclusion, I would like to note my whole hearted support of the policy statements presented by the National Association for Special Transportation Alternatives (NASTA).

Thank you for the opportunity to share with you some of my concerns and recommendations related to special transportation.

Sincerely,

William H. Henderson

William H. Henderson, Director
Dial-A-Ride-Transportation

cc: Mr. Randy Isaacs, President
NASTA

Attachment: Response to proposed Rules re: Private Sector Participation in Sec. 18 and Sec. 16(b)(2) programs.

Senior Services of Snohomish County
3402 112th S. W. - Everett, WA 98204 355-1112/745-1112

March 18, 1986

Mr. Douglas Birnie, Acting Director
Office of Private Sector Initiatives
Room 9310
UMTA 400 Seventh Street, S.W.
Washington, DC 20590

RE: UMTA DOCKET NO. 86-B

The following is in response to the Notice of Proposed Rule Making concerning "Guidance in Private Sector Participation for Section 18 and 16(b)(2) participants" which appears in the Federal Register/Vol. 51, No. 16. (the comments apply equally to Section 9.)

We should remember that the private-non-profit organization undertook the provision of special transportation services for the elderly and disabled by default. Neither public nor private for-profit operations would provide special transportation services. In fact, public transit operators resisted somewhat vehemently providing such services until forced by Section 504 of the Rehabilitation Act.

Because of this void, private non-profits invested heavily in the development and expansion of special transportation services. They were instrumental in getting Section 18 and 16(b)(2) established and funded.

In competitive service procurement, the proposed rules could very well penalize non-profits who have developed effective coordinated systems. Agencies with well-trained, senior staff members that receive prevailing wages will find their program at a disadvantage in calculating costs comparisons given the labor intensive nature of elderly and handicapped services. It needs to be noted that E & H programs have historically emphased client services beyond the traditional role of transit. We will in all likelihood not find these "services" included in bidder specifications.

The proposed rules assume, but do not establish the principle that the level of service can not be reduced as a result of privatization. The proposed rules do not require costs to be the sole determinant in award of contracts and/or grants. However, the temptation will be great in many places to rely primarily on cost and avoid the conflict associated with awarding a bid based on proper balance of quality service and costs. The lack of accepted E & H standards accepted by the industry will again emphasize cost as the primary "objective" tool.

The non-profit corporation is a private organization not public. UMTAs misclassification of non-profits jeopardizes the non-profit's community image and support. The identification of the non-profits with "public entities" by its very nature discriminates against the non-profit when UMTA clearly implies to the reader of the proposed privatization rules that the private sector is more cost effective than the public sector. Why does UMTA define private non-profit as public entities and what is the rationale for this definition?

We support competitive bidding but the rules governing the process must adequately assure that the needs of the elderly and disabled will be met and that the existing service system be treated fairly. The transportation of frail, vulnerable passengers is a complex task. The disabled have not realized mobility as a right. We hope to see rules which will encourage solutions to their problems.

Thank you for the opportunity to comment on the proposed rules.

Sincerely,

Keith Spelhaug

Keith Spelhaug, Executive Director
Senior Services of Snohomish County

William H. Henderson by Ltr

William H. Henderson, Director
Dial-A-Ride-Transportation
Senior Services of Snohomish County